

**PLACER COUNTY  
OFFICE OF EMERGENCY SERVICES**

**M E M O R A N D U M**

**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 North Tahoe 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**

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**ACTION REQUESTED**

That your Board adopt a Resolution approving the North Tahoe 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 Placer County Code (Chapter 15.36.010).

As noted above, fire districts do not have the legal authority to *levy* fees, which is a legal authority retained by the Placer 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 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 North Tahoe 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.

North Tahoe Fire Protection District

The North Tahoe Fire Protection District (District) comprises 31 square miles of eastern Placer County along the northwestern shore of Lake Tahoe to the Nevada state line. Development is constantly occurring all over the eastern slope of the Sierra Nevadas, and in the coming years, the District assumes a projected 7,200 person increase in residential population and a corresponding 1,700 person increase in the work force. These increases are projected to occur in what is commonly accepted as a high cost of living area, the Lake Tahoe Basin, and are reflected in the upwardly spiraling costs of local fire protection and prevention services.

District Capital Facilities Plan 2007

The District's mitigation fee structure currently in force is based on "load" and availability of sprinklers, but is now proposed to be based on "type structure." Since its existing fee structure cannot keep pace with the increasing cost of facilities, vehicles and other fire protection infrastructure, the District hired *MuniFinacial*, to update its plan, validate its fee calculation methodology, and set a new baseline fee structure. The *MuniFinacial* Fire Facilities Impact Fee Study concludes that the Distinct should adopt a "type structure" versus the existing "sprinkler and load" fee schedule to better meet future capital needs. The magnitude of fee changes this switch entails however is not easily represented, but the tables and the sample fee calculations below illustrate several typical existing and proposed new rates and impacts.

**Historical Rates  
 (\$/Ft<sup>2</sup>)**

<b>Load</b>	<b>With Sprinklers</b>	<b>Without Sprinklers</b>
Light Load (Residential)	.24	.46
ModerateLoad (Comm/Ind)	.46	.92
Heavy Load (Comm/Ind)	.69	1.38

**Proposed New Rates  
 (\$/Ft<sup>2</sup>)**

<b>Residential</b>	<b>0.77</b>
<b>Nonresidential</b>	
<b>Commercial</b>	<b>0.57</b>
<b>Office</b>	<b>0.73</b>
<b>Industrial</b>	<b>0.51</b>

**Sample Fee Calculations**

- 2000 ft<sup>2</sup> single family house with sprinklers:
  - Fees based on Historical Rates: \$480 at \$0.24/ft<sup>2</sup>
  - Fees based on Proposed Rates: \$1540 at \$0.77/ft<sup>2</sup> - a 321% increase

- 5000 ft<sup>2</sup> industrial facility (Heavy Load/Industrial) without sprinklers:
  - Historic Rates: \$6,900 at \$1.38/ft<sup>2</sup>
  - Proposed Rates: \$2,550 at \$0.51/ft<sup>2</sup> - a 63% 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 with 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 concerns. As a result of this approval process by your Board and CGC 66000 rules concerning timing of collections, if approved, these fees will not take effect until after the usual building season on the eastern slope. That will allow any 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 May 23, 2007, performed the annual review, and adopted the plan by Resolution 4-2007.

As noted, the plan increases some fees and from this point on uses increases in the Consumer Price Index for all urban consumers (CPI-U) for San Francisco-Oakland-San Jose for future proposed annual fee increases.

The District expects to collect \$85,000 in mitigation fees in the current fiscal year, and had a mitigation fund balance of \$104,809 at the beginning of the year. It also projects additional revenues of \$175,000 in FY 2007-2008 based on the new fee structure with \$200,456 in expenses for debt servicing, radio infrastructure, and fire engine chassis equipment.

### **FISCAL IMPACT**

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

### **Available for Public Review at the Office of the Clerk of the Board**

North Tahoe Fire Protection District:

- Capital Facilities Plan 2007
- *MuniFinancial* Fire Facilities Impact Fee Study, June 6, 2007

### **Attachments**

Resolution

North Tahoe Fire Protection District Board of Directors Resolution 4-2007  
Proposed Fire Mitigation Fee Schedule Comparative Chart

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

**Residential Fees:**

<b>Department /District</b>	<b>/Ft<sup>2</sup></b>
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:**

<b>Department /District</b>	<b>Comm Space /Ft<sup>2</sup></b>	<b>Office Space /Ft<sup>2</sup></b>	<b>Industrial Space /Ft<sup>2</sup></b>
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

# Before the Board of Supervisors County of Placer, State of California

In the matter of:

Resol. No: \_\_\_\_\_

**A RESOLUTION APPROVING THE NORTH TAHOE FIRE PROTECTION DISTRICT 2007 CAPITAL FACILITIES AND MITIGATION FEE EXPENDITURE PLAN.**

The following **RESOLUTION** was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held **JULY 24, 2007** by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

\_\_\_\_\_  
Chairman, Board of Supervisors

Attest:

Clerk of said Board \_\_\_\_\_

**WHEREAS** Government Code 66000 *et seq* allows local agencies to collect fees from new development to offset the impacts of that development on local services, the Placer County Board of Supervisors, on August 28, 1990, created the legal framework for fire protection districts to collect fees to mitigate development impacts on services. That legal framework is codified in the Placer County Code Chapter 15.36.010, and

**WHEREAS** the legal authority to levy fees stems from the police power of the County and rests with the Board of Supervisors, the fire protection districts in and of themselves do not have direct legal authority to levy fees. Therefore, in order to collect mitigation fees on new construction, a district must prepare and submit to the Board of Supervisors a Capital Facilities (or Capital Improvement) Plan that delineates a proposed fee schedule, and

**WHEREAS** since fixed rate fee structures are unable to keep pace with rising prices, the North Tahoe Fire Protection District desired to update its mitigation fee structure and contracted the firm of *MuniFinancial* to update its fee calculation methodology, and set a new baseline fee structure; and

**WHEREAS** 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 on the eastern slope of the Sierras, in some cases the increase in fees is over 100%; and

**WHEREAS** the Board of Directors of the District held a public hearing to review its plan on May 23, 2007 and adopted it by passing Resolution 4-2007. The plan will also continue to use the increase in the Consumer Price Index for All Urban Consumers (CPI-U) to determine its annual fee increases; and

**WHEREAS** as part of its annual review, the North Tahoe Fire Protection District showed a 2007 beginning mitigation fee balance of \$104,809 and expects \$85,000 in revenues this fiscal year, and

**WHEREAS** the District plans Capital Facilities expenditures in 2007 of \$200,456 for a fire engine chassis, debt servicing, and radio infrastructure.

**NOW, THEREFORE, BE IT RESOLVED** by the Governing Body of the County of Placer that the 2007 Capital Facilities Plan for the North Tahoe Fire Protection District is hereby approved.

RESOLUTION 4-2007  
OF THE  
NORTH TAHOE FIRE PROTECTION DISTRICT

A RESOLUTION ADOPTING THE CAPITAL FACILITIES  
AND  
MITIGATION FEE EXPENDITURE PLAN FOR THE FISCAL YEAR 2007/2008

**WHEREAS**, at the Regular Meeting held at 5:30 p.m. on May 23, 2007, at 221 Fairway Drive, Tahoe City, California, the Board of Directors of the North Tahoe Fire Protection District of Placer County reviewed the Capital Facilities and Mitigation Expenditure Plan for the Fiscal Year 2007/2008 regarding historical data about staffing and inventory to develop estimations of adequate staffing levels and capital inventory. This information has been used to develop a fair and equitable mitigation fund equation for utilization of these funds.

**WHEREAS**, the Board of Directors and staff carefully reviewed and approved the Capital Facilities and Mitigation Fee Expenditure Plan for the Fiscal Year 2007/2008.

**NOW, THEREFORE BE IT RESOLVED**, that the Board of Directors requests that staff distribute the Capital Facilities and Mitigation Fee Expenditure Plan for the Fiscal Year 2007/2008 to the Placer County Board of Supervisors for their review.

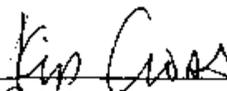
**PASSED AND ADOPTED** at a Regular Meeting of the Board of Directors of the North Tahoe Fire Protection District held on May 23, 2007 by the following Roll Call Vote:

AYES: Hale, Potts, Correa  
NOES: Loverde  
ABSENT: O'Dette  
ABSTAIN:

Attest:



Board of Directors

  
Kip Cross  
Clerk of the Board