

**PLACER COUNTY  
OFFICE OF EMERGENCY SERVICES**

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

**To:** Honorable Board of Supervisors

**From:** David Boesch, County Executive Officer  
by: Rui Cunha, Assistant Director of Emergency Services

**Date:** April 9, 2013

**Subject:** Adopt a Resolution approving the 2013 Placer County Fire Facilities Impact Fee Study and Capital Improvement Plan

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**ACTION REQUESTED**

Adopt a resolution approving the 2013 Placer County Fire *Facilities Impact Fee Study and Capital Improvement Plan* which includes a 13% reduction in the new capital mitigation fee for fire service with the new fee being set at \$.59, \$.42, and \$.12 per square foot for new residential, commercial, and agricultural development respectively, and includes an annual fee increase methodology based on the San Francisco region Construction Cost Index as reported in the *Engineering News Record* magazine.

**BACKGROUND**

The focus of the Placer County Fire Facilities Impact Fee Study and Capital Improvement Plan is to provide funding for the additional fire stations and apparatus (vehicles and equipment) that are required as a direct result of the increase in fire service demand brought on by new development. Placer County first approved a capital facilities mitigation fee in 1996 based on growth that was projected at that time. The current study delineates new fees based on current projections of growth and the corresponding facilities and apparatus needed to meet increasing fire service demands. New development must pay for its fair share of system enhancements required due to increased demand for service. Because the base property tax and special assessment revenue accruing to Placer County Fire is wholly devoted to current operations, fire facilities impact fees are needed to provide the funding needed for construction of new facilities and purchase of new apparatus.

**Legal Authority/Guidelines**

California Government Code 66000 *et seq* (CGC 66000) provides the authority and conditions by which local agencies may collect fees from new development to offset the impact of that new development on local services such as fire protection. In establishing a new Capital Mitigation Fee for Fire Service, CGC 66001 provides requirements and guidelines related to the imposition of a fee, to include the preparation of a capital improvement plan (CIP). Some of the requirements of the CIP are to:

- Identify the purpose of the fee.
- Identify the specific use to which the fee is to be put
- Determine a reasonable relationship between the fee's use and the type of development on which the fee is imposed.
- Determine a reasonable relationship between the need for the public facility and the type

- of development project on which the fee is imposed.
- Determine a reasonable relationship between the fee and the cost of the public facilities (or portion) attributable to the development.

### **Placer County Fire Facilities Impact Fee Study**

Placer County retained the services of *Goodwin Consulting Group*, an experienced public sector financial consulting firm, to produce the Placer County Fire Facilities Impact Fee Study and Capital Improvement Plan (Study). The Study addresses all legal requirements as established in CGC 66000-08.

### **Study Scope:**

The Study covers the entire area for which Placer County Fire provides fire protection and emergency medical services. This area comprises 475 square miles of the central and western portions of unincorporated Placer County not covered by an independent Fire Protection District. The area has a current service population of approximately 54,700 which the study projects will grow to some 196,000 by the year 2060.

While the Study analyzes the entire service area, large developments (e.g., Placer Vineyards, Regional University, Riolo Vineyards, Bickford Ranch, etc.) are excluded from calculations inasmuch as facilities and apparatus needs of large developments are projected to be paid for through development agreements.

### **Study Summary:**

The Study supports a mitigation fee of \$.59, \$.42, and \$.12 per square foot of new residential, commercial, and agricultural development respectively. The study further identifies an existing and projected deficit of \$1,955,622 through 2060 for additional facilities and equipment.

### **Significant Changes from the 2007 Fee Study:**

- The planning horizon included in this Fee Study extends to 2060, compared to 2030 used in the 2007 Fee Study.
- The value of the current Placer County system is assessed upward due to replacement of our oldest apparatus and improvements in existing stations. Additionally the 2013 study values the current system at the cost of replacement of frontline apparatus and equipment. This change reflects Placer County's continued commitment to set aside a portion of fire service revenue contributed by existing residents for the purpose of vehicle and equipment replacement. The 2007 study attempted to value the system at that time based on assumed actual values of each existing apparatus and did not adequately account for equipment on each engine. With these changes, the value of the Placer County Fire System in 2007 was \$18,162,200; the current value is estimated at \$27,245,132.
- This Fee Study reflects reduced costs associated with planned stations, vehicles, and equipment as compared to the 2007 Fee Study. For example, the planned expansion for Station 180 has been reduced from 12,500 square feet in the 2007 Fee Study to 10,000 square feet in this Fee Study. Specifically, the 2007 Fee Study includes \$27,174,400 planned costs, whereas the 2013 Fee Study includes \$23,123,562 in planned costs, a 15% reduction from the 2007 Fee Study.
- The 2013 Study shows similar refinements in one-time costs to major developments. The 2007 plan (with Placer Ranch costs removed) showed costs to major developments totaling \$61,690,200 while the 2013 Study reflects a 24% reduction in costs to \$46,849,320.

- This Fee Study accounts for successful grant funding including \$406,360 for communication infrastructure as an example.

**Current system:**

The County currently provides a suburban and rural level of fire protection and all-hazard fire and emergency services on a year-round basis. Service is provided through a contract with California Department of Forestry and Fire Protection (CAL FIRE) doing business as Placer County Fire in a service area comprising nearly one third of the total County land area. Service is provided by 66 full time firefighters out of eight fully staffed, 24-hour/day fire stations in Alta, Colfax, Bowman, North Auburn, Ophir, Lincoln, the Sunset Industrial Area, and Dry Creek. In addition, the system supports 100 active or semi-active community volunteer firefighters operating from stations in Dutch Flat, Fowler, Paige, Thermalands, Dry Creek, and Sheridan.

Placer County Fire operates and maintains 60 County-owned fire engines and support vehicles and trailers. The County-owned property and equipment is estimated to have a value of over \$27,000,000, and the County's annual contract with CAL FIRE is approximately \$8,700,000.

**Proposed future system:**

Placer County Fire anticipates a gradual transition from being primarily a "suburban and rural service" provider to being a provider of rural suburban and urban services over the next few decades. The future fire protection system described in the Study is based on levels of service defined in the Placer County General Plan for urban, suburban and rural service areas.

The population within the entire PCF service area is expected to grow by 258 percent over the coming 47 years, with the majority of this growth occurring in urban density areas. During the same timeframe, population in suburban and rural service areas is expected to grow by 40 percent. The total system growth, if unmitigated, would significantly impact the existing fire service delivery system. The study addresses the addition of five fire stations to support the larger developments, three fire stations to support growth in the more rural areas of the County, an upgrade to Station 180 at Atwood to increase station capabilities, and a Regional Fire Facility to support system command, control and communications, training, maintenance, service and supply, storage and administration. With the addition of vehicles and equipment, the study forecasts \$69,900,000 in required costs to mitigate growth and ensure that fire and emergency medical services are sustained. Approximately \$46,800,000 of that total is designated for larger developments and urban service levels and approximately \$23,000,000 designated for rural and suburban service level areas.

**Supported fee and system deficit:**

The Study supports a mitigation fee of \$.59, \$.42 and \$.12 per square foot of new residential, commercial, and agricultural development respectively.

<b>Mitigation Fees</b>		
	<i>Current</i>	<i>Recommended</i>
Residential	\$0.68/ft <sup>2</sup>	\$0.59/ft <sup>2</sup>
Non-residential	\$0.50/ft <sup>2</sup>	\$0.42/ft <sup>2</sup>
Non-Comm Ag Buildings	\$0.136/ft <sup>2</sup>	\$0.12/ft <sup>2</sup>

The Study identifies an existing and long term PCF system deficit of approximately \$1,955,622.

This deficit represents 8% of projected costs and is expected to be met over time with the contribution of Fire Service operating reserves, by alternative funding sources such as grants and by partnering as opportunities materialize.

Staff supports a change in the annual cost escalator from the San Jose, Oakland, San Francisco Consumer Price Index for all urban consumers to the San Francisco region Construction Cost Index as reported in the *Engineering News Record* magazine in order to make sure the Fire Facilities Impact Fee keeps pace with future costs. With over \$20,000,000 of the approximately \$23,000,000 in future cost being used for facilities construction, the Construction Cost Index is more representative of future Placer County Fire costs.

**Capital Improvement Plan:**

PCF has a current mitigation fund balance of \$3,146,198 and projects total FY 2012/13 mitigation fee revenues of approximately \$62,000. It also projects an FY 2013/14 increase in revenues of approximately \$96,000 due to projected development and the new fee structure. Mitigation fund expenditures for FY2012/13 total \$348,000 comprising \$300,000 for the upgraded Truck 180, \$31,000 for Station 32 Improvements, \$16,500 for planning services. Expenditures for FY 2013/14 are projected to be \$454,000 for a systemwide Air Unit/Rehabilitation Unit; protective clothing cache; a vehicle maintenance diagnostic scanner; in vehicle mapping systems and hardware and an update to this plan.

**FISCAL IMPACT**

There is no net County cost to the General Fund as a result of this action.

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

Suzan Goodwin Consulting Group Fire Facilities Impact Fee Study and Capital Improvement Plan 2012/2013 dated March 13, 2013

**Attachments:**

Resolution

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

In the matter of:  
**A RESOLUTION APPROVING THE PLACER COUNTY  
FIRE FACILITIES IMPACT FEE STUDY AND CAPITAL  
IMPROVEMENT PLAN**

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

The following **RESOLUTION** was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held **APRIL 9, 2013** 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** \_\_\_\_\_

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**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 rests with the Board of Supervisors, in order to collect mitigation fees fire protection districts must submit for Board of Supervisors approval a Capital Improvement Plan that among other things anticipates the impact of development on services, proposes use of fees, illustrates the relationship between the fees and the development, has a separate accounting system and an annual update, as well as noticed public meetings; and

**WHEREAS** Placer County Fire contracted the firm of *Goodwin Consulting Group* to update its fee calculation methodology and set a new baseline fee structure; and

**WHEREAS** proposed fee changes are based on current projections of increasing development, and the coincidental increase in costs of fire facilities and infrastructure, vehicles and apparatus; and

**WHEREAS** the Board of Supervisors held a properly noticed public hearing to review the Fee Study and Capital Improvement Plan on April 9, 2013; and

**WHEREAS** as part of its review, Placer County Fire showed a current mitigation fee balance of \$3,146,198 and projects FY 12/13 and FY 13/14 mitigation fee revenues of \$62,000 and \$96,000 respectively, with expenditures of \$348,000 and \$454,000 respectively.

**NOW, THEREFORE, BE IT RESOLVED** by the Governing Body of the County of Placer that the Placer County Fire Facilities Impact Fee Study and Capital Improvement Plan with a new, reduced fee of \$.59 per square foot for residential development; \$.42 per square foot for commercial/industrial development; and \$.12 per square foot for agriculture development is hereby approved.

**BE IT FURTHER RESOLVED** that the San Francisco region Construction Cost Index as reported in the *Engineering News Record* magazine is approved for use as an annual cost escalator to be applied to the fee approved above.