

**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: John McEldowney, Program Manager of Emergency Services

Date: October 22, 2013

Subject: 2013 North Tahoe Fire Protection District Fire Facilities Impact Fee Study and Capital Facilities and Fire Mitigation Fee Expenditure Plan

ACTION REQUESTED

Adopt a resolution approving the 2013 North Tahoe Fire Protection District *Fire Facilities Impact Fee Study and Capital Facilities and Fire Mitigation Fee Expenditure Plan* which includes a new capital mitigation fee for fire service with the new fee being set at \$1.01, \$0.67, \$0.87, and \$0.58 per square foot for new residential, commercial, office, and industrial development respectively, and includes an annual fee increase methodology based on the Construction Cost Index as reported in the *Engineering News Record*.

BACKGROUND

The focus of the North Tahoe Fire Protection District's (NTFPD) Fire Facilities Impact Fee Study and Capital Facilities and Fire Mitigation Fee Expenditure Plan is to provide funding for the additional apparatus and equipment that are required as a direct result of the increase in fire service demand brought on by new development. 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 NTFPD is wholly devoted to current operations, fire facilities impact fees are needed to provide the funding needed for planned fire facilities.

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.

NTFPD Fire Facilities Impact Fee Study

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

Study Scope:

The Study covers the entire area within the NTFPD boundaries. NTFPD provides fire protection services, such as fire, rescue, and pre-hospital emergency medical services, to residents and employees within the District out of five fire stations. The NTFPD currently serves approximately 12,500 residents and employees. The study projects the service population will grow by nearly 40% by 2035.

Study Summary:

The Study supports a mitigation fee of \$1.01, \$0.69, \$0.87, and \$0.58 per square foot of new residential, commercial, office, and industrial development respectively.

**Existing and Proposed Rates
(\$/Ft²)**

	Existing	Proposed	% increase
Residential	0.89	1.01	13%
Nonresidential			
• Commercial	0.67	0.69	0.03%
• Office	0.84	0.87	0.04%
• Industrial	0.58	0.58	No change

The study further identifies the current summary of existing facilities of \$20,432,743, with planned system enhancements totaling \$9,052,560.

Capital Facilities and Fire Mitigation Fee Expenditure Plan:

The Board of the North Tahoe Fire Protection District held a noticed public hearing to review the plan on August 21, 2013. At that meeting the district performed an annual review of its plan resulting in its adoption by passage of the District’s Board Resolution Number 07-2013.

NTFPD has a current mitigation fund balance of \$53,694 and projects mitigation fee revenues of \$75,000 to \$80,000 annually over the next five years. Mitigation fund expenditures for FY 2012-13 total \$115,000 which includes \$90,000 in continued expenses toward station 51, \$15,000 for Goodwin Consulting services, and \$10,000 in engine equipment.

FISCAL IMPACT

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

Attachments:

- Resolution
- NTFPD Board of Directors Resolution 07-2013
- Proof and Statement of Publication
- 2013 Suzan Goodwin Consulting Group Fire Facilities Impact Fee Study
- 2013 NTFPD Capital Facilities and Fire Mitigation Fee Expenditure Plan

**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
FIRE FACILITIES IMPACT FEE STUDY AND
CAPITAL FACILITIES AND FIRE 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 **October 22, 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 _____

WHEREAS, Government Code 66000 *et seq* (GC 66000) allows local agencies to collect fees on new development to offset resultant impacts on services, but fire districts in and of themselves do not have direct legal authority to levy fees. That authority, in fact, rests with the Board of Supervisors, which codified the requisite legal framework, specifically for fire districts, in County Code Chapter 15.36.010; and

WHEREAS, GC 66000 requires that in order to collect mitigation fees on new development, the fire district must annually prepare and submit to the Board of Supervisors, a Capital Facilities and Fire Mitigation Fee Expenditure Plan that delineates and supports a proposed fee schedule; and

WHEREAS, the North Tahoe Fire Protection District Board of Directors held a public hearing on August 21, 2013 at which meeting the Board adopted the Capital Facilities and Fire Mitigation Fee Expenditure Plan by passing Resolution Number 7-2013. The plan adopts a rate of \$1.01/ft² for residential, and three separate rates for nonresidential property: \$0.69/ft² for commercial, \$0.87/ft² for office, and \$0.58/ft² for industrial. Increases in future years will be based on the Consumer Price Index as reported in the *Engineering News Record*; and

WHEREAS, North Tahoe Fire Protection District has a current fund balance of \$53,694, it projects revenues of \$75,000 to \$80,000 annually for the next five years. Mitigation fund expenditures for FY 2012-13 total \$115,000 which includes \$90,000 in continued expenses toward station 51, \$15,000 for Goodwin Consulting services, and \$10,000 in engine equipment.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the County of Placer that the 2013 Capital Facilities and Fire Mitigation Fee Expenditure Plan for the North Tahoe Fire Protection District is hereby approved.



RESOLUTION 07 - 2013
OF THE
NORTH TAHOE FIRE PROTECTION DISTRICT

A RESOLUTION ADOPTING THE CAPITAL FACILITIES
AND
MITIGATION FEE EXPENDITURE PLAN FOR THE FISCAL YEAR 2012/2013

WHEREAS, at the Regular Meeting held at 4:45 p.m. on August 21, 2013, at 222 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 2012/2013 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 2012/2013.

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 2012/2013 to the Placer County Board of Supervisors for their review.

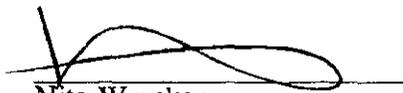
PASSED AND ADOPTED at a Regular Meeting of the Board of Directors of the North Tahoe Fire Protection District held on August 21, 2013, by the following Roll Call Vote:

AYES: Directors Baffone, Correa, Hale and Potts
NOES: Director Loverde
ABSENT: None
ABSTAIN: None

Attest:



President, Board of Directors



Nita Wracker
Clerk of the Board

SIERRA SUN

P.O. Box 1888 Carson City, NV 89702
(775) 881-1201 FAX: (775) 887-2408

Proof and Statement of Publication

Ad #: 9435740D

NOTICE OF HEARING

BY WHOM: North Tahoe Fire Protection District

LOCATION: North Tahoe Fire Protection District
222 Fairway Dr.
Tahoe City, CA

DATE: August 21, 2013

SUBJECT: ADOPTION, BY RESOLUTION, A
CAPITAL FACILITIES AND MITIGATION FEE
EXPENDITURE PLAN FOR THE FISCAL YEAR
2012/2013

The Board will be adopting a Capital Facilities and Mitigation Fee Expenditure Plan for the Fiscal Year 2012/2013. A public hearing on this matter will be held on Wednesday, August 21, 2013, at 4:45 p.m. at the North Tahoe Fire Protection District, 222 Fairway Dr., Tahoe City, Placer County, California. Any interested person may be present at the public hearing or may submit written comments concerning the proposed Resolution. Written comments must be received not later than 5:00 p.m. on Wednesday, August 14, 2013. Comments may be hand delivered to the North Tahoe Fire Protection District, 222 Fairway Dr., Tahoe City, or by mail to P.O. Box 5879, Tahoe City, CA 96145. Copies of the proposed Resolution are available for public review by contacting the Clerk of the Board at 530-583-6913.

Nita Wracker
Clerk of the Board

Pub: August 7, 2013

Ad#9435740

Customer Account: # 1066639

Legal Account

North Tahoe Fire Protection Dist.
PO BOX 5879
TAHOE CITY, CA 96145
Attn: Nita Wracker

Victoria Lopez says:

That (s)he is a legal clerk of the **SIERRA SUN**, a newspaper published Wednesday and Friday at Truckee, in the State of California.

Copy Line

Capital Facilities Notice

PO#:

Ad #: 9435740D

of which a copy is hereto attached, was published in said newspaper for the full required period of **2** time(s) commencing on **8/7/2013**, and ending on **8/9/2013**, all days inclusive.

Signed: _____



Date: 08/13/2013 State of Nevada, Carson City

Price: \$ 116.580

Subscribed and sworn to before me this ____ day
of _____

Notary Public

GCG

GOODWIN CONSULTING GROUP

**NORTH TAHOE FIRE
PROTECTION DISTRICT (NTFPD)
UPDATE OF THE FIRE FACILITIES
IMPACT FEE STUDY**



FINAL REPORT

AUGUST 22, 2013

555 UNIVERSITY AVE, SUITE 280 • SACRAMENTO, CA 95825
PHONE: (916) 561-0890 • FAX: (916) 561-0891

**NORTH TAHOE FIRE PROTECTION DISTRICT (NTFPD)
UPDATE OF THE FIRE FACILITIES IMPACT FEE STUDY**

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EXECUTIVE SUMMARY

BACKGROUND

As development continues within the North Tahoe Fire Protection District (“NTFPD” or “District”), additional fire protection facilities will be needed to meet the service demands of future development. The NTFPD has recently updated its fire protection facilities and costs, as summarized in this report, needed to serve development in the District through the year 2035. A fair share portion of the cost of these facilities will be funded by future growth in the NTFPD. Consequently, the proposed fire facilities impact fee (“NTFPD Fire Fee”) included in this *North Tahoe Fire Protection District Update of the Fire Facilities Impact Fee Study* (“Fee Study”) will apply to all future development within the NTFPD boundary. The NTFPD Fire Fee complies with Mitigation Fee Act nexus requirements because the fees are set at the amount needed to mitigate the specific impacts that will result from new development in the District.

The District’s current fire fee is based on the *Fire Facilities Impact Fee Study*, prepared in 2007 (“2007 Study”) as well as a subsequent addendum that was prepared in 2010 (“2010 Addendum”). The NTFPD Fire Fees proposed in this Fee Study have been revised from the 2010 Addendum to reflect the completion of the District’s Tahoe City Station 51, the proposed re-construction of the District’s stations located in Kings Beach and Homewood, and new vehicles and equipment that have been placed into service since the 2007 Study was completed.

FIRE PROTECTION FACILITIES AND COSTS

The Fee Study identifies fire protection facilities needed to serve new development in the District through 2035. The required fire facilities and costs were determined by the NTFPD based on its long range needs. Facility costs included in the Fee Study have been updated to reflect current and anticipated facility needs, construction costs, and other revised assumptions.

A summary of the facilities and cost estimates, which total approximately \$29.5 million, is shown in Table A. Detailed fire facilities and cost estimates incorporated in the Fee Study are described in Section III.

**TABLE A
FACILITIES COST SUMMARY**

Description	Estimated Cost
Net Existing Facilities	\$20,432,743
Planned Facilities	\$9,052,560
Total	\$29,485,303

NTFPD FIRE FEES

A summary of the proposed NTFPD Fire Fee is presented below in Table B; the NTFPD Fire Fee includes a 2.0% administration fee mark-up that will be used to fund costs associated with administering the NTFPD Fire Fee program. This fee will fund fee study updates, accounting, and annual reporting required by the Mitigation Fee Act.

**TABLE B
NTFPD FIRE FEE SUMMARY**

Land Use	Fee per SF
<i>Residential</i>	\$1.01
<i>Nonresidential</i>	
Commercial	\$0.69
Office	\$0.87
Industrial	\$0.58

I. INTRODUCTION

The North Tahoe Fire Protection District (“NTFPD” or “District”) is an independent special district that provides fire, rescue, and pre-hospital emergency medical services to residents and employees within an approximate 30-square mile area on the north and west shores of Lake Tahoe in the County of Placer. A map identifying the District’s boundaries is shown on the following page.

The NTFPD currently operates five fire stations within its boundary. These stations are located in Tahoe City, Kings Beach, Homewood, Dollar Point, and Carnelian Bay and currently serve approximately 11,200 residents.

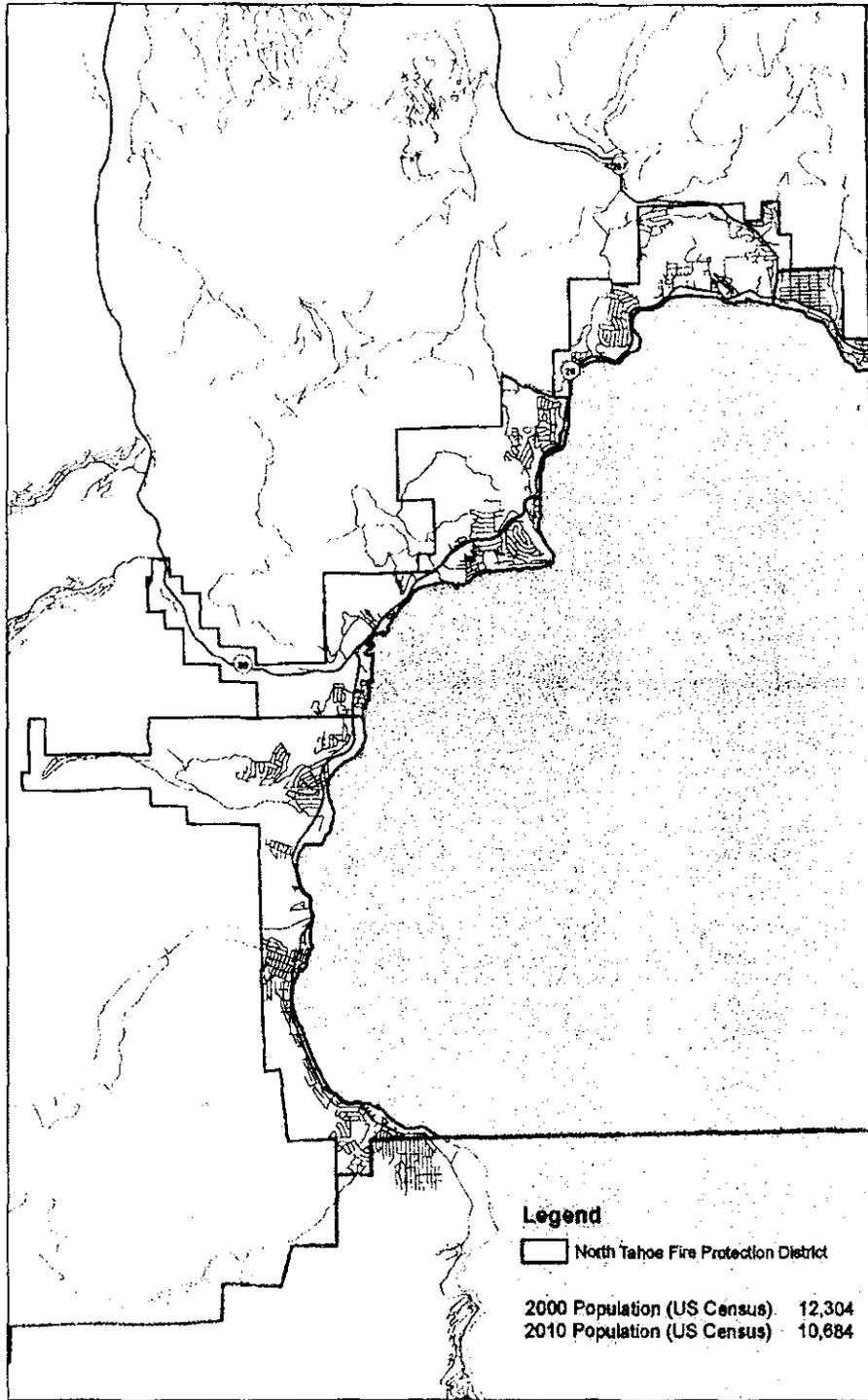
The NTFPD also provides fire protection and related services to residents and employees within the Alpine Springs County Water District (“Water District”) through a sixth station located in Alpine Meadows. Costs associated with fire protection facilities and equipment required to serve residents and employees within the Water District are included in the *Alpine Springs County Water District Fire Facilities Mitigation Fee Study*, which is in the process of being updated. The Alpine Meadows station and the corresponding service population within the Water District are not included in this analysis.

PURPOSE OF STUDY

As development occurs within the NTFPD, new or expanded fire facilities will be required to meet the service demands of future development. If adopted, the fire fee (“NTFPD Fire Fee”) presented in this report will apply to all future development within the District boundary. The NTFPD Fire Fee complies with the Mitigation Fee Act nexus requirements because the NTFPD Fire Fee is calculated to mitigate only the specific impacts that will result from new development in the District.

The NTFPD retained Goodwin Consulting Group, Inc. (“Goodwin”) to prepare this *North Tahoe Fire Protection District Update of the Fire Facilities Impact Fee Study* (“Fee Study”). The NTFPD Fire Fee will be implemented by the NTFPD Board of Directors and Placer County Board of Supervisors through the adoption of a resolution or ordinance. In doing so, the NTFPD Fire Fee will replace the District’s current fire fee that is based on the *Fire Facilities Impact Fee Study* that was prepared in 2007 (“2007 Study”).

NTEFPD BOUNDARY MAP



IMPACT FEE NEXUS REQUIREMENTS

Assembly Bill (“AB”) 1600, which was enacted by the State of California in 1987, created Section 66000 et seq. of the Government Code. AB 1600, which created the Mitigation Fee Act, requires that all public agencies satisfy the following requirements when establishing, increasing, or imposing a fee as a condition of approval for a development project:

1. Identify the purpose of the fee
2. Identify the use to which the fee will be put
3. Determine how there is a reasonable relationship between:
 - A. The fee’s use and the type of development project on which the fee is imposed
 - B. The need for the public facility and the type of development project on which the fee is imposed.
 - C. 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.

The assumptions and cost allocation methodology that were used to establish the nexus between the NTFPD Fire Fee and the development on which it will be levied are summarized in the subsequent sections of this report.

II. LAND USE CATEGORIES AND GROWTH PROJECTIONS

LAND USE CATEGORIES

The Mitigation Fee Act requires that a reasonable relationship exist between the need for public facilities and the type of development on which an impact fee is imposed. The need for public facilities is related to the level of service demanded, which may vary in proportion to the number of residents or employees generated by a particular land use type. Therefore, land use categories have been defined in order to distinguish between relative impacts on facilities. The NTFPD Fire Fee has been calculated per square foot of building space for both residential dwelling units and nonresidential buildings. The following land use categories are identified for purposes of the NTFPD Fire Fee program:

- Residential:** All single family and multi-family residential developments. Single family units include all detached residential dwelling units. Multi-family units include all attached single family dwellings, such as duplexes and condominiums, and mobile homes, apartments, and dormitories.
- Commercial:** All commercial, retail, educational, and hotel/motel development.
- Office:** All general, professional, and medical office development.
- Industrial:** All manufacturing development.

Some developments may include more than one land use type, such as industrial warehouse with living quarters (e.g., a live-work designation). In these cases, the NTFPD Fire Fee would be calculated separately for each land use type included in the proposed development. The NTFPD should have the discretion to impose the NTFPD Fire Fee based on the specific aspects of a proposed development regardless of zoning.

The NTFPD will make the final determination as to which land use category a particular development will be assigned; however, a general guideline to use is the likely occupancy associated with the development, whether it be residents or workers. The NTFPD Fire Fee imposed should be based on the land use type that most closely represents the likely occupancy associated with the proposed development. The Fire Chief is authorized to determine the land use category that corresponds most directly to the land use to determine an applicable fee rate.

GROWTH PROJECTIONS

Estimates of the existing service population and projections of growth are critical assumptions used in the calculation of the NTFPD Fire Fee. Table 1 summarizes the estimated service population within the District in 2013 as well as the amount of new growth anticipated through 2035. The total service population is comprised of all residents plus a certain percentage of employees. The exact relationship of service demands between residents and employees is difficult to measure, but a service population comprised of all residents plus 24% of employees is utilized in the NTFPD Fire Fee calculation. The 24% ratio suggests that an employee generally has one quarter the impact of a resident (e.g., an employee is at work 40 hours per week out of a possible 168 hours in a week).

**TABLE 1
EXISTING AND FUTURE PERSONS SERVED WITHIN THE DISTRICT**

	Existing ¹	New	Existing
	(2013)	Growth	& Future
	A	B	Growth ²
			(2035)
			C A B
Residents	11,172	4,330	15,502
Employees	5,804	2,250	8,054
Employee Demand Factor ³	0.24	0.24	0.24
Net Employees	1,393	540	1,933
Total Persons Served	12,565	4,870	17,435

¹ Existing resident and employee estimates reflect 2010 Census data that have been adjusted to 2013 by applying a 1.5% average annual growth rate.

² Assumes an average annual growth rate of 1.5% for residents and employees based on the 2007 Fire Facilities Impact Fee Study.

³ Assumes employees are at work 8 hours per day out of a possible 24 hours per day; this translates to 1.0 employee equaling approximately 0.24 (40/168 = 0.24) residents.

Sources: County of Placer; North Tahoe Fire Protection District; Census; Goodwin Consulting Group, Inc.

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The estimated residents and employees in the District by 2035 are used to determine fire facilities and equipment required to serve growth. Base year residential and employment estimates totaling approximately 11,200 and 5,800, respectively, reflect 2013 estimates and are based on data from the Placer County Planning Department and the 2010 Census. Growth estimates through 2035 assume an average annual growth rate in the NTFPD of 1.5%.

III. FIRE PROTECTION FACILITIES AND COST ESTIMATES

The NTFPD Fire Fee program will provide funding for fire protection facilities, including fire stations, vehicles, and equipment. A summary of existing and planned facilities required to serve development through 2035 is provided below.

EXISTING FIRE FACILITIES

Existing fire protection facilities within the District include (i) five fire stations, which are located in Tahoe City, Kings Beach, Homewood, Dollar Point, and Carnelian Bay; (ii) vehicles and equipment; and (iii) special equipment. The total estimated cost of the District's fire stations, land, vehicles, and equipment, based on current replacement costs, equals approximately \$25.3 million, as shown below in Table 2.

**TABLE 2
SUMMARY OF EXISTING FACILITIES COSTS**

Description	Estimated Cost
Stations	\$20,138,000
Vehicles & Equipment	\$3,706,537
Special Equipment	\$1,448,206
Total	\$25,292,743

Source: North Tahoe Fire Protection District

The estimated replacement cost for the Tahoe City station, which was completed in 2012, is based on actual construction costs, including financing costs. Estimated replacement costs for the remaining existing fire stations are based on the construction cost for the Tahoe City station, but do not include a financing cost. Estimated replacement costs for all five stations, including buildings and land, total approximately \$20.1 million and are summarized below in Table 3. An estimated land cost of \$1.3 million per acre is assumed in the Fee Study. Although the per-acre cost is based on an estimate provided by the NTFPD, additional market research on recent land sales within the District was conducted by Goodwin to corroborate land values.

TABLE 3
EXISTING LAND & BUILDING FACILITIES

	Quantity <i>A</i>		Unit Cost <i>B</i>	Replacement Cost <i>C = A x B</i>
<u><i>Station 51 - Tahoe City</i></u>				
Land ¹	0.99	acres	--	--
Building ²	20,027	SF	\$525	\$10,514,000
Subtotal				\$10,514,000
<u><i>Station 52 - Kings Beach</i></u>				
Land	0.29	acres	\$1,300,000	\$377,000
Building ³	7,410	SF	\$500	\$3,705,000
Subtotal				\$4,082,000
<u><i>Station 53 - Homewood</i></u>				
Land	0.35	acres	\$1,300,000	\$455,000
Building ³	2,310	SF	\$500	\$1,155,000
Subtotal				\$1,610,000
<u><i>Station 54 - Dollar Point</i></u>				
Land	0.29	acres	\$1,300,000	\$377,000
Building ³	3,016	SF	\$500	\$1,508,000
Subtotal				\$1,885,000
<u><i>Station 55 - Carnelian Bay</i></u>				
Land	0.09	acres	\$1,300,000	\$117,000
Building ³	3,860	SF	\$500	\$1,930,000
Subtotal				\$2,047,000
<u><i>Storage - Truckee Airport⁴</i></u>				
Building	517	SF	--	--
Subtotal				--
Total Existing Stations Cost				\$20,138,000

¹ Land value is excluded because the land was donated.

² Based on actual costs, including financing costs.

³ The per-square foot replacement cost for buildings is based on the average construction cost, excluding financing costs, for Station 51, which was constructed in 2012.

⁴ Value is excluded because facility is leased by the NTFPD.

Sources: North Tahoe Fire Protection District; Goodwin Consulting Group, Inc.

**TABLE 4
EXISTING VEHICLES & EQUIPMENT INVENTORY & COST**

Vehicle Type & Make	Estimated Cost	Vehicle Type & Make	Estimated Cost
<i>Type I Engines</i>		<i>Other</i>	
1986 Grumman Pumper	\$220,000	2004 Arrow Trailer	\$4,700
1985 Seagrave Pumper	\$280,000	2006 Bauer	\$100,000
1990 Seagrave Pumper	\$280,000	2007 Carson DT122	\$9,000
1995 Seagrave Pumper	\$300,000	2005 Caterpillar DCA70	\$33,000
2003 Spartan Pumper	\$380,000	2006 Caterpillar Generator	\$33,000
Subtotal	\$1,460,000	2001 Chevy Flat Bed	\$20,000
		2003 Chevy	\$80,000
<i>Type III Engines</i>		2003 Chevy (506) Tahoe	\$20,000
2007 International Brush Vehicle	\$150,000	1995 Chevy (P-5) Tahoe	\$20,000
2007 International Brush Vehicle	\$343,000	1998 Ford F-150	\$20,000
Subtotal	\$493,000	1998 Ford F-150	\$20,000
		2001 Ford Expedition	\$20,000
		2004 Ford F-350	\$110,000
		2004 Ford F-350	\$110,000
		2004 Ford F-350	\$80,000
		2006 Ford F-450	\$4,000
		2008 Ford F-450	\$41,000
		2011 Ford F-350	\$98,500
		1986 Ford F-350	\$1,500
		1998 Ford F-150	\$2,000
		1999 Ford F-250	\$20,000
		2008 Ford F-350	\$110,000
		2008 Ford F-150	\$25,500
		2008 Ford F-150	\$25,500
		2010 Ford F-350	\$97,000
		2008 Ford (B-5) Expedition	\$31,000
		2009 Ford (500) Expedition	\$33,000
		2008 Ford (502) F-250	\$30,000
		2012 Ford (Mech Vehicle) F-550	\$108,000
		2004 Kenworth	\$355,000
		1922 Seagrave Antique Pumper	\$30,000
		2011 Skido Snowmobile	\$12,000
		2012 Skido Snowmobile	\$12,000
		2009 Snake River Trailer	\$13,150
		2010 Snowmobile Trailer	\$7,349
		2011 Wells Cargo - PIO Trailer	\$8,669
		2011 Wells Cargo - PIO Trailer	\$8,669
		Subtotal	\$1,753,537
Total Existing Vehicles & Equipment Cost			\$3,706,537

Source: North Tahoe Fire Protection District

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Existing fire protection facilities also include vehicles and equipment. An inventory and estimated replacement value for existing vehicles and equipment are presented in Table 4. Based on information provided by the NTFPD, the replacement cost of existing vehicles and equipment totals approximately \$3.7 million.

Existing fire protection equipment also includes special protective gear, general station equipment, and other miscellaneous equipment. The estimated replacement value for special equipment is itemized by fire station, as presented in Table 5. The District reports the existing replacement value for special equipment totals approximately \$1.4 million.

TABLE 5
NTFPD SPECIAL EQUIPMENT INVENTORY

Description	Replacement Cost
<i><u>Station 51 - Tahoe City</u></i>	
Type 1 Special Equipment	\$243,551
Type 3 Special Equipment	\$93,508
Ambulance Special Equipment (2)	\$149,414
Subtotal	<u>\$486,473</u>
<i><u>Station 52 - Kings Beach</u></i>	
Type 1 Special Equipment	\$243,551
Type 3 Special Equipment	\$93,508
Ambulance Special Equipment	\$74,707
Subtotal	<u>\$411,766</u>
<i><u>Station 53 - Homewood</u></i>	
Type 1 Special Equipment	\$243,551
Water Tender Special Equipment	\$53,494
Ambulance Special Equipment	\$74,707
Subtotal	<u>\$371,752</u>
<i><u>Station 55 - Carnelian Bay</u></i>	
Type 3 Special Equipment	\$93,508
Ambulance Special Equipment	\$74,707
Subtotal	<u>\$168,215</u>
<i><u>Storage - Truckee Airport</u></i>	
Type 1 Special Equipment	\$10,000
Subtotal	<u>\$10,000</u>
Total Special Equipment Cost	<u>\$1,448,206</u>

Source: North Tahoe Fire Protection District

PLANNED FIRE FACILITIES TO ACCOMMODATE NEW GROWTH

NTPFD analyzed the fire facilities needed to serve development within the District through 2035. Based on that analysis, NTPFD determined that the Kings Beach and Homewood stations need to be expanded to serve future growth anticipated through 2035 in those areas. The Dollar Point and Carnelian Bay stations, as well as the newly reconstructed Tahoe City station, will be able to adequately serve the incremental development expected in those areas through 2035.

**TABLE 6
PLANNED NTPFD FACILITIES**

Description	Estimated		Cost	Total Cost ¹
	Units		per Unit	
	A		B	C = A x B
<u><i>New Fire Stations</i></u>				
Station 52 - Kings Beach	9,813	SF	\$500	\$4,906,500
Station 53 - Homewood	7,165	SF	\$500	\$3,582,500
Subtotal				\$8,489,000
<u><i>New Vehicles & Equipment</i></u>				
Type I Engine	1		\$550,000	\$550,000
Piercing Nozzles				\$4,500
Salvage Covers				\$2,800
3" Hose Clamps				\$700
Additional Hooks				\$500
14' Combination Ladders				\$200
Portable Floodlights				\$60
Honda 3000 Watt Generators				\$4,800
Subtotal				\$563,560
Total New Facilities				\$9,052,560

¹ The per-square foot replacement cost for buildings is based on the average construction cost, excluding financing costs, for Station 51, which was constructed in 2012.

Sources: North Tahoe Fire Protection District; Goodwin Consulting Group, Inc.

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Due to the type of construction of the Kings Beach and Homewood stations, the District determined that a modular expansion of either station is impractical because the existing stations do not meet current seismic requirements. Consequently, a new station will be constructed on the existing Kings Beach and Homewood sites. Table 6 shows a breakdown of costs for the two stations, which total approximately \$8.5 million. Both stations are anticipated to be constructed on their current locations. Estimated construction costs for the new Kings Beach and Homewood stations are based on the Tahoe City station construction cost, excluding the financing cost. In addition, the District determined that a new Type I engine and miscellaneous equipment will be needed to serve future growth. The estimated cost associated with the Type I engine and equipment totals approximately \$0.6 million. Overall, approximately \$9.1 million in planned facilities will be needed to serve future growth anticipated through 2035.

NET FIRE FACILITIES COST

As discussed above, planned facilities include the re-construction of the existing Kings Beach and Homewood stations as well as a new Type I engine and miscellaneous equipment. In order to ensure that existing and planned facilities are not double counted, the estimated replacement costs associated with the existing buildings at the Kings Beach and Homewood stations are subtracted from the total fire facilities cost. The net fire facilities cost included in the NTFPD Fire Fee calculation totals approximately \$29.5 million, as shown in Table 7.

**TABLE 7
NET FIRE FACILITIES COST**

Description	Estimated Cost
Existing Fire Facilities	\$25,292,743
Less Station 52 - Kings Beach Building (to be replaced)	(\$3,705,000)
Less Station 53 - Homewood Building (to be replaced)	(\$1,155,000)
Planned Fire Facilities	\$9,052,560
Net Fire Facilities Cost	\$29,485,303

Source: North Tahoe Fire Protection District

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IV. NTFPD FIRE FEE CALCULATION METHODOLOGY

When impact fees are calculated, an analysis must be presented in enough detail to demonstrate that logical and thorough consideration was applied in the process of determining how the fee relates to the impact created by new development. Various findings pursuant to the Mitigation Fee Act must be made to ensure that there is a reasonable relationship between the amount of the fee and the impact on the facilities from development on which that fee will be levied. The following section of the report outlines the methodology used in this Fee Study to calculate the NTFPD Fire Fee.

FEE METHODOLOGY

The methodology used to calculate the NTFPD Fire Fee ensures that each land use category funds its equitable share of the fire protection facilities based on the impact that its residents or employees will have on the District. Following is a summary of the steps used to calculate the NTFPD Fire Fee:

- 1) Determine the number of existing and future persons served expected through 2035 within the NTFPD. The number of person served equals the sum of residents and 24% of employees (i.e., employee-equivalents).
- 2) Determine the existing and new fire facilities needed to serve development through 2035 within the NTFPD.
- 3) Estimate the net cost of the fire facilities needed to serve development in the District through 2035. Existing deficiencies or that portion of an improvement cost allocated to existing development cannot be funded with NTFPD Fire Fees from future development; the NTFPD will need to find alternate sources to fund existing deficiencies or existing development's share of the cost.
- 4) Based on the projected 2035 service population, calculate the cost per person served by dividing the cost from Step 3 by the total service population from Step 1. The cost per resident is equal to the cost person served; while the cost per employee is equal to the cost per person served multiplied by 0.24 (i.e., employee weighting factor).
- 5) Estimate the cost per residential dwelling unit or cost per 1,000 nonresidential building square feet by multiplying the applicable occupancy factor (i.e., average persons per

residential dwelling unit or employees per 1,000 building square feet) by the cost per resident or employee from Step 4.

- 6) Determine the cost per residential dwelling unit or per 1,000 nonresidential building square feet by adding a 2.0% administration fee to fund the cost of administering the NTFPD Fire Fee program.
- 7) For residential uses, divide the gross cost per residential dwelling unit by 1,700 square feet, which is the estimated average size of a residential unit in NTFPD, to determine the NTFPD Fire Fee per square foot of residential building space. For nonresidential uses, divide the gross cost per 1,000 building square feet by 1,000 square feet to determine the NTFPD Fire Fee per square foot of nonresidential building space.

By applying this fee methodology, the amount of the NTFPD Fire Fee for each land use is based on the estimated impact of the development on the District and thus a nexus or reasonable relationship is established between the amount of the NTFPD Fire Fee and the cost of the facilities attributable to each type of development.

OCCUPANCY ASSUMPTIONS

New development in the NTFPD will create demand for fire protection facilities. For purposes of the NTFPD Fire Fee program, demand is measured by the service population anticipated within the NTFPD by 2035.

Occupancy factors incorporated in the Fee Study are presented in Table 8. Residential occupancy factors are based on data from the American Community Survey for the region and industry standards. Nonresidential occupancy factors are based on industry standards related to average square feet per employee. By allocating facilities costs to each land use category based on its demand for fire protection facilities (i.e., service population based on occupancy factors), this Fee Study ensures that each land use category will fund its fair-share of the required facilities.

TABLE 8
OCCUPANCY ASSUMPTIONS

Land Use	Assumption
<i>Residential</i>	1.00 Persons per Dwelling Unit
<i>Nonresidential</i>	
Commercial	1.67 Employees per 1,000 SF
Office	2.11 Employees per 1,000 SF
Industrial	1.43 Employees per 1,000 SF

Sources: American Community Survey; Goodwin Consulting Group, Inc.

V. NEXUS FINDINGS AND NTFPD FIRE FEE

Future development within the NTFPD will create demand for various fire protection facilities to serve future residents and employees. The NTFPD Fire Fee program will fund future development's fair share of costs to construct two fire stations located in the Kings Beach and Homewood areas of the District as well as a new Type I engine and miscellaneous new equipment. The NTFPD Fire Fee, as calculated in this Nexus Study meets the Mitigation Fee Act nexus requirements, as outlined below.

Purpose of Fee

The purpose of the NTFPD Fire Fee is to fund the fire protection facilities identified in this Fee Study that are needed to mitigate the impacts from new development through 2035 within the NTFPD.

Use of Fee

NTFPD Fire Fee revenue will be used to fund the fire protection facilities needed to provide fire protection service. These facilities and their corresponding costs are presented in Tables 3 through 6 of this Fee Study.

Reasonable Relationship Between the Fee's Use and the Type of Development

New development anticipated through 2035 within the NTFPD will generate a need for fire protection services and facilities. The increase in development will create the need for additional fire facilities and personnel to provide emergency services to the developing areas within the NTFPD. Fee revenue will be used to fund a fair-share portion of these fire facilities to serve new residential and nonresidential development in the NTFPD.

Reasonable Relationship Between the Need for the Facility and the Type of Development

New residential and nonresidential development in the NTFPD will generate residents and employees as well as residential and nonresidential structures that will require fire protection services. New development will require additional fire facilities to maintain the existing level of service and to provide fire protection and emergency services to the developing areas in the NTFPD. In order to maintain the NTFPD's current level of fire protection service, the NTFPD must re-construct two fire stations in Kings Beach and Homewood as well as purchase a new Type I engine and miscellaneous equipment.

Reasonable Relationship Between the Amount of the Fee and the Cost of the Facility

The relationship between the amount of the fee and the portion of the facility cost attributable to the development type is based on the number of persons served. Residents and employees are the primary beneficiaries of fire facilities; therefore, the cost of fire facilities has been allocated in this Fee Study to both residential and nonresidential land uses based on the number of persons generated from these types of development.

The number of persons served equals the number of residents and employee-equivalents that will be provided with fire protection services. Based on this demand from residents and employee-equivalents, a proportionate share of the cost of fire facilities is allocated to existing and future residential and nonresidential development types. This cost allocation, shown in Table 9, establishes a fee per resident and per employee. The fee per resident or employee is then converted to a fee per square foot of building space for each land use category to ensure that a reasonable relationship exists between the NTFPD Fire Fee and the portion of the facility attributable to each development type within the NTFPD.

EXISTING AND PLANNED FIRE FACILITIES COST SUMMARY

Table 7 summarizes the net cost of the fire facilities needed to serve the District through 2035. This includes the cost of existing and planned fire stations, vehicles, and equipment. The total cost of these facilities, which has been calculated based on (i) the current estimated replacement value of existing fire stations, vehicles, and equipment; (ii) the estimated construction cost of planned fire stations; and (iii) the estimated cost to purchase a new Type I engine and miscellaneous equipment, equals approximately \$29.5 million.

NTFPD FIRE FEE CALCULATION

Tables 9 and 10 detail the calculation of the NTFPD Fire Fee. Dividing the net fire facilities cost of approximately \$29.5 million cost by the estimated 17,435 persons served in the District by 2035 equals a cost of \$1,691 per person served. The cost per person served is then converted to a cost per resident and cost per employee, as shown in Table 9. The cost per resident and per employee is converted to a fee per square foot for residential and nonresidential building space based on occupancy assumptions and assumed average size of a residential unit in the District. A summary of the proposed NTFPD Fire Fee, and accounting for NTFPD Fire Fee program administration costs, is presented in Table 10.

TABLE 9
NTFPD FIRE FACILITIES COST PER PERSON SERVED

Net Fire Facilities Cost	\$29,485,303
Projected 2035 Persons Served	17,435
Cost per Person Served	\$1,691
<i>Cost per Resident</i>	<i>\$1,691</i>
<i>Cost per Employee¹</i>	<i>\$406</i>

¹ Assumes one employee is equal to 0.24 residents, as discussed in Table 1.

Source: Goodwin Consulting Group, Inc.

TABLE 10
NTFPD FIRE FEE CALCULATION

Land Use	Cost per Resident/ Employee <i>I</i>	Estimated Density ¹ <i>B</i>	Cost per DU/ 1,000 SF <i>C = A x B</i>	Admin- istration ² (2.0%) <i>D = 0.02 x C</i>	Total Fee <i>E = C + D</i>	Fee per SF ³
<i>Residential</i>	\$1,691	1.00	<i>per Dwelling Unit</i>		\$1,725	\$1.01
<i>Nonresidential</i>			<i>per 1,000 Bldg SF</i>			
Commercial	\$406	1.67	\$676	\$14	\$690	\$0.69
Office	\$406	2.11	\$854	\$17	\$872	\$0.87
Industrial	\$406	1.43	\$580	\$12	\$592	\$0.58

¹ Estimated density shown as persons per dwelling unit for residential uses and employees per 1,000 SF for nonresidential uses.

² Estimated at 2.0% of the total fee to pay for the NTFPD's costs related to fee study updates, accounting, and annual reporting.

³ Residential fee is based on an average residential unit size of 1,700 square feet.

Sources: North Tahoe Fire Protection District; Goodwin Consulting Group, Inc.

NTFPD FIRE FEE SUMMARY

The NTFPD Fire Fee includes a 2.0% administration fee mark-up that will be used to fund costs associated with administering the NTFPD Fire Fee program. This fee will fund fee study updates, accounting, and the annual reporting required by the Mitigation Fee Act.

**TABLE 11
NTFPD FIRE FEE SUMMARY**

Land Use	Fee per SF
<i>Residential</i>	\$1.01
<i>Nonresidential</i>	
Commercial	\$0.69
Office	\$0.87
Industrial	\$0.58

FUNDING SHORTFALL

This Fee Study allocates a portion of existing and planned facilities costs to future development to ensure that new development pays its fair-share of those facilities. Comparing the total planned facilities cost of approximately \$9.1 million to future development's fair-share of the total fire facilities cost, approximately \$8.2 million, produces a funding shortfall of approximately \$817,000. The funding shortfall is reduced to approximately \$763,000 after accounting for the existing fire fee fund balance of \$53,958, as shown in Table 12.

The estimated shortfall represents the portion of planned facilities costs that must be funded through revenue sources other than development impact fees. Non-fee revenues are needed because the total cost of planned facilities exceeds future development's fair-share of fire facilities costs. Potential sources of revenue include the District's general fund revenues or the use of new taxes.

TABLE 12
PLANNED FACILITIES FUNDING SHORTFALL

Total Cost of Planned Facilities ¹	\$9,052,560
Cost per Person Served	\$1,691
Service Population Growth within the NTFPD (2013-35)	4,870
Total Projected NTFPD Fire Fee Revenue	\$8,235,761
NTFPD Fire Fee Funding Surplus / (Shortfall)	(\$816,799)
Existing NTFPD Fire Fee Fund Balance	\$53,958
NTFPD Fire Fee Revenue Surplus / (Shortfall)	(\$762,842)

¹ Excludes remaining debt service for Station 51 (Tahoe City).

Sources: North Tahoe Fire Protection District; Goodwin Consulting Group, Inc.

VI. PROGRAM IMPLEMENTATION AND ADMINISTRATION

FEE IMPLEMENTATION

According to the California Government Code, prior to levying a new fee or increasing an existing fee, an agency must hold at least one open and public meeting. At least ten days prior to this meeting, the agency must make data on infrastructure costs and funding sources available to the public. Notice of the time and place of the meeting, and a general explanation of the matter, are to be published in accordance with Section 6062a of the Government Code, which states that publication shall occur twice, with at least five days intervening, commencing at least ten days before the hearing, in a newspaper regularly published once a week or more.

The NTFPD Fire Fee will need to be approved by the NTFPD Board of Directors and the Placer County Board of Supervisors through a fee resolution or ordinance to adopt the proposed NTFPD Fire Fee. The resolution or ordinance authorizing and establishing the NTFPD Fire Fee will then be adopted by the Placer County Board of Supervisors. Once the last action associated with adopting the NTFPD Fire Fee is completed, it shall become effective sixty days later.

ANNUAL INFLATION UPDATE

The NTFPD Fire Fees may be adjusted in future years to reflect revised facility costs or receipt of funding from alternative sources. In addition to such adjustments, in January of each calendar year, or another date, as designated by the NTFPD, the cost estimates and the NTFPD Fire Fees will also be adjusted by the average increase in the Construction Cost Index ("CCI") as reported in the *Engineering News Record* magazine for the 12-month period ending November of the previous year. For example, the adjustment for January 2014 will be determined by calculating the increase from November 2012 to November 2013 in the CCI. The resulting increase will be the adjustment factor that will be applied to the NTFPD Fire Fees in January 2014. The increased fees may be adopted through a resolution or ordinance.

FEE STUDY UPDATES

The Fee Study will be subject to periodic update based on changes in developable land, land uses, facilities and land costs, or economic conditions. The NTFPD should periodically review the costs, fees, and account balances to determine if an update to the NTFPD Fire Fee is warranted. During the periodic reviews, the NTFPD may analyze the following items that would impact the NTFPD Fire Fee program:

- Changes to the required fire facilities included in the NTFPD Fire Fee program
- Changes in land costs
- Changes in zoning or density
- Changes in the cost to administer the NTFPD Fire Fee

ADMINISTRATION FEE COMPONENT OF THE NTFPD FIRE FEE

The NTFPD Fire Fee includes an administration fee component equal to 2.0% of facilities costs. Based on its experience administering past fire fee programs, the 2.0% fee rate should be sufficient to cover its cost of administering the NTFPD Fire Fee program. The NTFPD should monitor its administration costs in the following years and adjust the rate, if necessary.

ANNUAL AND FIVE-YEAR REPORTING REQUIREMENTS

The Mitigation Fee Act requires the NTFPD to report every year and every fifth year certain financial information regarding the fees. The NTFPD must make available within 180 days after the last day of each fiscal year the following information from the prior fiscal year:

- 1) A brief description of the type of fee in the account or fund
- 2) The amount of the fee
- 3) The beginning and ending balance in the account or fund
- 4) The amount of the fee collected and the interest earned
- 5) An identification of each public improvement for which fees were expended and the amount of expenditures
- 6) An identification of an approximate date by which time construction on the improvement will commence if it is determined that sufficient funds exist to complete the project
- 7) A description of each interfund transfer or loan made from the account and when it will be repaid
- 8) Identification of any refunds made once it is determined that sufficient monies have been collected to fund all fee-related projects

The NTFPD must make this information available for public review and must also present it at the next regularly scheduled public meeting not less than 15 days after this information is made available to the public.

For the fifth fiscal year following the first deposit into the fee account, and every five years thereafter, the NTFPD must make the following findings with respect to any remaining funds in the fee account, regardless of whether those funds are committed or uncommitted:

- 1) Identify the purpose to which the fee is to be put
- 2) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged
- 3) Identify all sources and amounts of funding anticipated to complete financing any incomplete improvements
- 4) Designate the approximate dates on which funding in item (3) above is expected to be deposited into the fee account

As with the annual disclosure, the five-year report must be made public within 180 days after the end of the NTFPD's fiscal year and must be reviewed at the next regularly scheduled public meeting. The NTFPD must make these findings; otherwise, the law requires that it refund the money on a prorated basis to the then current record owners of the development project.

***North Tahoe Fire Protection District
2012/2013 Capital Facilities and
Mitigation Fee Expenditure Plan***



***August 2013
Placer County***

Summary of the Mitigation Process

For several years the County of Placer has undergone sustained growth. In spite of rigid controls from the Tahoe Regional Planning Agency (TRPA) and the state of the economy, slow growth has continued in the Lake Tahoe basin. This increase in protection inventory and service population has served to spread existing assets of public agencies over a substantially larger service base. The North Tahoe Fire Protection District has experienced an increase in the amount of building inventory to protect. This development has contributed to an increase in fire protection inventory, requiring a commensurate increase in firefighting infrastructure.

North Tahoe Fire Protection District is faced with growing capital improvement needs that exceed property tax increments. With the advent of Proposition 218, special tax or assessments are no longer valid revenue sources to keep pace with growth, new service and infrastructure demands. The North Tahoe Fire Protection District is utilizing a proactive approach to continue an existing level of service and to meet the future needs of the District.

Historical data about staffing and inventory has been gathered to develop estimates of adequate staffing levels and capital inventory. This information has been used to develop a fair and equitable mitigation fund equation. The total impact is analyzed by correlation between community growth and the increased need for fire prevention and protection services. The ultimate purpose of the mitigation fees is to provide a continuing level of service rather than a remedy for past development and to hopefully arrest the degradation of service levels.

In 1986 Assembly Member Cortese recognized the need for concise legislation concerning mitigation. AB 1600 is the result of hearings. Through delay, the effective date of AB1600 was January 1, 1989. AB1600 enacted Government Code Sections 66000-66003. This in effect requires local agencies imposing mitigation fees to specify the public improvement, segregate the monies collected in special accounts, re-examine the necessity for the expanded balance after 5 years, and refund the balance with accrued interest. In addition, local agencies imposing the fee for defined facility and improvements would be authorized to adopt and annually review a specified capital facilities plan.

AB 1600 required the North Tahoe Fire Protection District to go through an established process to enact a reasonable relationship between a development fee and the specified improvement that it will be used for. In simple terms, the North Tahoe Fire Protection District cannot arbitrarily charge a mitigation fee without first showing the relationship between impact of development and the fee being charged. A thorough analysis of this process was met was completed in 2000 and 2007. In 2013 another thorough analysis was conducted that established and confirmed the relationship between the impact of development and the fee being charged.

The final hurdle was the actual levy of fees. The California Attorney General issued the opinion that Special Districts cannot levy mitigation fees. However, the California Constitution allows Counties and Cities to levy mitigation fees. Through this process and by Resolution, Placer County has allowed the North Tahoe Fire Protection District to realize mitigation revenues. Currently the

North Tahoe Fire Protection District collects mitigation fees within the Fire Protection District boundaries. The content of this report will outline the spending plan for those fees collected up to and including the fiscal year 2012/2013, an inventory of the fees collected to this point and a proposal for a mitigation fee adjustment based on a generally accepted inflationary adjustment.

Relationship Between Growth and Capital – Facilities Plan

North Tahoe Fire Protection District continues to experience growth in fire inventory, as well as population, this trend is expected to continue for years to come. This development has contributed to an increase in calls for service and increased fire potential.

The recent trend of expanding small mountain cabins to expansive resort homes is creating larger homes with larger population potential. Many of these homes are vacation rentals, which carry increased risks with transient guests unfamiliar with the unusual fire and safety risks of forested and heavy snow areas. As the demand for fire and Emergency Medical Services capability increases through infill construction and “teardown” remodels, the ability to transport personnel and apparatus will degrade proportionally. The major arterial routes are critically congested and the projected increase in residents and visitors will only worsen the problem. The only plausible mitigation strategy is to maintain, upgrade or relocate staffed fire stations where response is timely, and to maintain enough redundancy in apparatus and equipment to act autonomously until assistance can arrive.

The continued growth will impact the District’s ability to maintain the same level of service. The impact of this growth affects three aspects of the organization: (1) Personnel required (2) Fire Stations (3) Apparatus. Capital Mitigation fees may be used for specific items as clearly stated in AB 1600. Personnel cannot be funded with these fees. Development of fire stations and purchase of apparatus is allowed. North Tahoe Fire Protection District uses a systems approach to deliver services across the District. Each Station supports one another and apparatus are truly a system wide resource and all apparatus are available to all portions of the District. Thus it is appropriate that mitigation fees collected from one particular project or geographic area be used to support apparatus or facilities in another.

Personnel

Personnel cannot be funded with these fees.

Fire Stations

The Facilities Plan indicates the proposed expenditures for all existing facilities and those projected. Mitigation fees can only be used for Facility improvements directed related to growth. Funds shall not be used for replacement.

Discussion of issues raised through public comment

During the introduction of the Five year update to the District's AB1600 Mitigation plan, concerns were brought forward by community stakeholders. Concerns expressed included the population growth rate utilized by the District's AB1600 consultants (Goodwin Consulting Group) and the inclusion of facilities and equipment into the plan as they relate to new construction paying its fair share.

Goodwin Consulting Group used a 1.5% growth rate over 22 years (equaling 4,330 new residents and 540 new employees) which received considerable attention because the 2010 census numbers and some other indicators show a population decline coinciding with the recession starting in 2008. The 1.5% growth rate represents an average that is applied over a 22 year period. The growth rate for some years may be higher, while others may be lower. It is also important to note that the increase is applied to 2010 estimates, which reflect near-bottom economic conditions. The 11,172 resident populations represent the estimated residential population for 2013, which is based on the 2010 estimate provided by the County plus the average annual growth rate of 1.5% for the 3-year period from 2010 to 2013, the same formula as used in original mitigation plan study.

Another concern expressed was that 100% of certain projected new equipment and facilities were included into the plan rather than a reduced share being apportioned to new development. The question was also raised in discussion as to what standards and benchmarks the District uses to make plan updates and adjustments.

Wages and benefits make up greater than 70% of the cost to provide fire services, neither of which can be paid through collection of AB1600 mitigation fees. In essence, only 30% of the actual cost associated with providing additional fire protection services to future development are allocated under the Plan. In accordance with AB1600, the District placed specific facilities and equipment into the AB1600 mitigation plan in order to off-set anticipated increased demands on existing services by future development. Historically, the District collects \$60,000 to \$70,000 per year in mitigation fees and has never fully funded any single facility or apparatus.

Placement of essential fire apparatus and fixed facilities for community fire protection is a complex operational function that takes into account parameters outside the scope of AB1600, such as response times and staffing levels. National consensus standards are used for benchmarking and in future planning. The Insurance Services Office's *Fire Suppression Rating Schedule* and National Fire Protection Association, *NFPA 1710 Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments*, are two important national standards that assist in determining future needs.

The North Tahoe Fire Protection District will report annually the total number of AB-1600 qualifying projects, including data for square footage for residential, commercial and industrial properties and the associated fees collected.

To date, calendar year 2013, the District has collected \$41,031.67 on 46,103 square feet of new residential space. Of those projects; 14 were new construction and 9 were remodel/additions of greater than 500 square feet.

Applicable California State Codes and National Fire Protection Association Standards

Fire District Station Facilities.

The Fire District builds and maintains stations and facilities in accordance with the current California State Building Code, Electrical Code, Plumbing Code and Mechanical Code and Fire Code. Station and Facility construction must all meet requirements of the Nation Fire Protection Association (NFPA) for construction and maintenance. The following standards are examples of NFPA standards that apply to new facility project within the North Tahoe Fire Protection District.

- Standard 101 – Life Safety Code
- Ch 1.1.2 – The code addresses the construction, protection and occupancy features necessary to minimize danger to life from the effect of fire, including smoke, heat and toxic gasses created during a fire. Ch1.1.3 – The Code established minimum criteria for the design and egress facilities so as to allow prompt escape of occupants from buildings or, where, desirable, into safe areas within buildings.
- Standard 1500 – Fire Department Occupational Safety and Health Program
- Ch 9.1.1 Facility Safety – All Fire Department facilities shall comply with all legally applicable health, safety, building, and fire code requirement.
- A.9.1.1 where health, safety, building, and fire codes are not legally applicable to fire department facilities; steps should be taken to ensure that equivalent standards are applied and enforced. In absence of local requirements, the provisions of NFPA 1; Fire Code NFPA 70; NFPA 101, Life Safety Code; NFPA 5000, Building Construction and Safety Code should be applied.
- In addition, the workplace safety standards specified in 92CFR 1910, Occupation Safety and Health Standards, or an equivalent standard should be applied. Applicable requirements of the Americans with Disabilities Act (ADA) should be met.

Fire Department Apparatus.

The North Tahoe Fire Protection District operates several types of fire apparatus. Structural fire fighting engines are built in accordance with NFPA 1901; water tenders are built in accordance with NFPA 1903 Standard for mobile water supply fire apparatus; wildland fire apparatus are built in accordance with NFPA 1906; the District's aerial fire apparatus will be built in accordance with NFPA 1904.

NFPA Standard 1500 – Fire Department Occupational Safety and Health Program; Ch6 Fire Apparatus, Equipment, and Driver/Operators section 6.1.1 states fire departments shall consider safety and health as primary concerns in the specification, design, construction, acquisition, operation, maintenance, and inspection and repair of all fire department apparatus. The District will continue to meet this standard.

Fire Department Staffing.

While staffing and personnel cannot be funded with Mitigation fees; the NFPA standard related to staffing is noted as staffing is an integral portion of fire attack and mitigation.

NFPA Standard 1710 – Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments; Ch 4.3 Staffing and deployment states staffing in the fire department shall identify minimum staffing requirements to ensure that a sufficient number of members are available to operate safely and effectively. It is the District’s intention to meet this standard.

The following table from Ch 4.3.2 indicates minimum staffing and response times required by NFPA:

Demand Zone	Demographics	Minimum Staff to Respond	Response Time (minutes)	Meets Objective
Urban Area	> 1,000 people / sq mi	15	9	90%
Suburban area	50 - 1000 people / sq mi	10	10	80%
Rural area	< 500 people / sq mi	6	14	80%
Remote area	Travel distance > 8 mi	4	Directly dependent on travel distance	90%

North Tahoe Fire Protection District Physical Facilities - Expenditure Plan

North Tahoe Fire Protection District personnel and equipment are quartered in five separate facilities. The stations are geographically distributed to provide coverage of the entire District. With the exception the new Public Safety Center Station 51, District stations are exceeding their designed capability; the apparatus rooms are filled to capacity; and no space is available for additional activities, equipment, or personnel, which will be required by growth. The facilities are as follows:

Station 51 – 222 Fairway Dr., Tahoe City

Station 51 is the headquarters station of the District, construction was completed in 2012. This building has been constructed to achieve a minimum of LEED “Silver” certification. The station is 20,027 sq. ft., single story with a full sub-floor or basement level; wood frame construction with steel columns and support beams on a concrete foundation. Chief Officers, Fire Marshal, Forest Fuels and administrative staff have offices on the first floor of the building along with 5 double deep, pull through apparatus bays (approximately 7,000 sq. ft.). Staff quarters and an emergency operations center are located on the lower floor. This station has been constructed to meet the administrative needs of the District for the next 50 years.

Future Funding Needs and allocations for Station 51:

5 year - Minor Capital Improvements	25,000
15 year - Minor Capital Improvements	100,000
	<hr/> 125,000

Station 52 — 288 North Shore Blvd., Kings Beach

Station 52 is located in Kings Beach, at the North end of the District. This station serves a large and dense population, much of which is an aging wood frame structures which have been converted to rental units. Additionally several large low income housing units have recently been added. Much of Kings Beach and Brockway is residential with narrow streets which can be barely passable with winter snows.

Built in 1956, Station 52 is a two story concrete block and wood structure. The building houses active engine companies, as well as some administrative offices. The station has three single bays and one double drive through bay. The single bays have 10' high doors, thus limiting the height of assigned apparatus. The drive-through bay has 12' doors and 14' side-to-side clearance.

The parcel of land that this station is located on has several restrictions that limit the District’s ability to expand this station. However in light of recent commercial development within the vicinity of this station, a significant remodel/upgrade must be

considered. New development within the vicinity of this station has resulted in larger more dense occupancies requiring larger apparatus and more staffing. The cost for this remodel/upgrade would be significant.

Station 52 does not meet current State of California essential service building requirements. The costs of retrofitting the building to meet current standards would be significant.

Future Funding Needs and allocations for Station 52:

5 year - Minor Capital Improvements	50,000
10 year - Upgrade/expansion/replacement	4,906,500
15 year - Minor Capital Improvements	150,000
	<hr/>
	5,106,500

Station 53 — 5425 West Lake Blvd., Homewood

Station 53 serves the southernmost portions of the District. The area this station serves is much more remote than other areas of the District. From Station 53, the District provides contract EMS and automatic aide for fire response to areas of El Dorado County. Station 53 was built in 1962, constructed of concrete brick and wood construction.

Station 53 is a three single bay station with 12' high doors. The apparatus assigned to Station 53 barely fits in the apparatus bays; 31' apparatus is packed into 34' bays. Due to the area served; this station houses the water tender, one of the largest pieces of apparatus the District operates.

Station 53's quarters were built for 1 person resident staffing and are unsuitable for more than one person. Staffing increases due to growth have created a necessity to increase the size of quarters by adding a second bedroom.

Homewood Mountain Resort is currently in the process of expanding/upgrading their facilities. Their project would include additional commercial and residential buildings. This development will impact the District ability to provide service with current staffing levels. Serious consideration will have to be given to an upgrade/expansion of Station 53 to enable the District to provide adequate service by staffing this station with additional personnel. The cost for this upgrade/expansion would be significant.

Station 53 does not meet current State of California essential service building requirements. The costs of retrofitting the building to meet current standards would be significant

Future Funding Needs and allocations for Station 53:

5 year - Minor Capital Improvements	50,000
7 year - Upgrade/expansion/replacement	3,582,500
15 year - Minor Capital Improvements	150,000
	<hr/>
	3,782,500

Station 54— 159 Observation Drive, Tahoe City

Station 54 is located in the Dollar Hill area of the District. The station serves both as a working mechanics shop of the District. Station 54 is on a residential lot in a residential neighborhood. The Station built in 1962 with wood frame construction and residential station design. This station is adequate for its present use; however incompatible with residential zoning. A long term plan should move the mechanics shop into larger more industrial facilities. This fire station would need significant additions to house full time staffing.

Station 54 does not meet current State of California essential service building requirements. The costs of retrofitting the building to meet current standards would be significant.

Future Funding Needs and allocations for Station 54:

5 year - Minor Capital Improvements (driveway replacement)	50,000
Upgrade of Mechanic Shop	100,000
15 year - Minor Capital Improvements	150,000
	<hr/>
	300,000

Station 55 — 240 Carnelian Bay Rd., Carnelian Bay

Station 55 is located in the community of Carnelian Bay, about midway between the North boundary of the District and the main station, station 51. This station was built in 1962 as residential fire station. The building is two story and of poured concrete and block construction.

Both quarters and apparatus bays are adequate for the apparatus assigned, although some modifications of door height must be considered. The station is presently being utilized apparatus and equipment storage. Additionally it is used during the summer months as a staffed station by CalFire.

Station 55 does not meet current State of California essential service building requirements. The costs of retrofitting the building to meet current standards would be significant.

Future Funding Needs and allocations for Station 55:

5 year - Minor Capital Improvements	50,000
15 year - Minor Capital Improvements	150,000
	<hr/>
	200,000

Future Fire Station Property — 2155 West Lake Blvd., Pine/and (Kilner Park)

This undeveloped property is strategically located along the West shore of the Fire District between 2 existing fire Stations (Sta. 51 and 53). Many years ago the Fire District was granted the right to develop a fire station on the South East corner of this property. Tahoe City PUD currently maintains the property as a park. A staffed fire station at this location would significantly reduce critical response times to local communities. Budget constraints and fiscal priorities have prevented development of this site.

Ongoing Inflation Adjustment

Mitigation fees are adjusted annually to accommodate the impact of development (growth) on fire protection services within the District. The District adjusts mitigation fees based on the percent change in construction costs as defined in the Construction Cost Index (CCI) published by the *Engineering News-Record*. The need for the District to adjust mitigation fees annually was approved by the Placer County Board of Supervisors, and recommended in the Fire Facilities Mitigation Fee Study.

***Proposed 2013 Mitigation Fee Rate adjustment
based on the Updated Impact Fee Study***

Fixed rate pricing structures are unable to keep pace with increasing costs of facilities, vehicles, and general fire protection infrastructure requirements. Thus consistent with the spirit of the enabling legislation, the North Tahoe Fire Protection District has adjusted its mitigation fee schedule for 2012/2013. The District's last mitigation fee structure increase occurred in 2011 and was based on the Construction Cost Index (CCI) published by the *Engineering News-Record*. The CCI rate of change for the period November 2010 thru November 2011 was 2.5%.

The below chart outlines the existing and proposed rate structure for the mitigation fee schedule.

FEE SCHEDULE

CONSTRUCTION TYPE	EXISTING	NEW PROPOSED
Residential	\$0.89 per square foot	<i>\$1.01 per square foot</i>
<u>Nonresidential</u>		
Commercial	\$0.67 per square foot	<i>\$0.69 per square foot</i>
Office	\$0.84 per square foot	<i>\$0.87 per square foot</i>
Industrial	\$0.58 per square foot	<i>\$0.58 per square foot</i>

	FY 10-11 Actual	FY 11-12 Actual	FY 12-13 Projected	FY 13-14 Projected	FY 14-15 Projected	FY 15-16 Projected	FY 16-17 Projected
Mitigation Fund Beginning Balance	\$40,185	\$99,149	\$53,694	\$14,969	\$11,244	\$12,604	\$8,964
Revenue Category							
Projected annual mitigation fees revenue	\$137,095	\$76,833	\$75,000	\$75,000	\$80,000	\$80,000	\$80,000
Projected account interest at 1.7% APR	\$2,741	\$2,712	\$1,275	\$1,275	\$1,360	\$1,360	\$1,360
Total Revenues	\$180,021	\$178,694	\$129,969	\$91,244	\$92,604	\$93,964	\$90,324
Expenditure Category							
New Fire Station 51	\$75,000	\$125,000	\$90,000	\$80,000	\$80,000	\$85,000	\$85,000
Station Equipment	\$5,872						
Mitigation Plan Update			\$15,000				
Engine Equipment			\$10,000				
Total Expenditures							
Mitigation Fund Ending Balance	\$99,149	\$53,694	\$14,969	\$11,244	\$12,604	\$8,964	\$5,324

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North Tahoe Fire Protection District Use Statement

AB 1600 states that a District must have a statement of use to which mitigation fees are to be assigned. For the fiscal year 2012/2013, the fire mitigation fees collected within the North Tahoe Fire Protection District will be utilized towards the following programs:

1. **New fire station (Station 51):** The District has recognized the need to replace the existing headquarters fire station. The old headquarters fire station was built in 1961 and been remodeled several times. It is apparent the growth of the District has made this facility inadequate for housing the administrative function and emergency response apparatus. A new facility was been completed in July 2012. The new headquarters fire station has been constructed to meet the estimated needs of the District as a result of growth over the next 50 years.
2. **Mitigation Plan Update:** The District is required to update the Fire Facilities Impact Fee Study every five years. The District has contracted with Goodwin Consulting Group to perform this update at an estimated cost of \$15,000.
3. **Engine Equipment:** The District has recognized the need to add additional equipment to our engine companies. Many of our engines have a full complement of equipment required by NFPA 1901, however some do not. The District endeavors to comply with NFPA 1901 by added this new equipment to our engine companies.

NOTICE TO PLACER COUNTY BUILDERS
WITHIN THE
NORTH TAHOE FIRE PROTECTION DISTRICT

The North Tahoe Fire Protection District has implemented a development Mitigation Fee program. These fees will be applicable to all permit applications processed by the District after **October 31st, 2013**. The revenue generated by these fees is designed specifically for capital improvements.

The Fire District will need a set of your plans and a copy of your building permit application in order to establish your specific fee. The fees must be paid to the North Tahoe Fire Protection District prior to issuance of your building permit.

North Tahoe Fire Protection District
P.O. Box 5879
222 Fairway Dr.
Tahoe City, CA 96145
(530) 583-6913 FAX (530) 583-6909

FEE SCHEDULE for FY 2012/2013

Fee per square foot	
Residential	\$1.01
Nonresidential	
<i>Commercial</i>	\$0.69
<i>Office</i>	\$0.87
<i>Industrial</i>	\$0.58

