

MEMORANDUM
OFFICE OF EMERGENCY SERVICES
PLACER COUNTY

To: Honorable Board of Supervisors

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

Date: May 9, 2006

Subject: Adopt a resolution approving the 2006-2007 Loomis Fire Protection District
Capital Improvement Plan and Fee Nexus Study

ACTION REQUESTED

Adopt a resolution approving the 2006-2007 Loomis Fire Protection District Capital Improvement Plan and Fee Nexus Study with a 4.63% increase in development fees.

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 these fees and codified it in the Placer County Code Chapter 15.36.010.

However, fire districts do not have authority to *levy* fees, rather that legal authority is retained by the County, and ultimately rests with the Board of Supervisors. As required by CGC 66000, therefore, each fire district must complete a Capital Facilities Improvement Plan, subject to annual Board of Supervisors approval, in order to *collect* mitigation fees

Capital Facilities Improvement Plans

In completing an annual update to a Capital Facilities Plan, the law requires a number of actions by fire districts that includes: anticipating development impacts, determining the use of fees, establishing a reasonable relationship between fees and type of development, accounting separately for funds, holding properly noticed public hearings, and conducting an annual program review and update. The reviews generally occur with the beginning of the annual budget renewal process.

Loomis Fire Protection District 2006-2007 Capital Improvement Plan

The Board of Directors of the Loomis Fire Protection District held a noticed public hearing on March 8, 2006, and at that meeting performed the annual review and adopted the plan by passing Resolution Number 3-2006.

FISCAL IMPACT AND ANALYSIS

The Loomis Fire Protection District fee structure was adjusted upwards by 4.63% for FY 2006-2007 based on the San Francisco Construction Cost Index which raises residential fees by \$.02/ft² and non-residential fees by \$.03/ft². For FY 2005-2006, the district estimates collections of \$145,000 from new construction and \$117,100 in mitigation fees expenditures. The beginning mitigation fund balance for FY 2006-2007 is estimated at \$74,284, with projected expenditures of \$45,100.

Attachments:

Placer County Board of Supervisors Resolution
Loomis Fire Protection District Board of Directors Resolution 3-2006
Loomis Capital Improvement Plan and Fee nexus Study 2006

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

In the matter of:

Reso. No: _____

**A RESOLUTION APPROVING THE FY 2006-2007 CAPITAL
IMPROVEMENT PLAN AND FEE NEXUS STUDY
PLAN FOR THE LOOMIS FIRE PROTECTION
DISTRICT**

The following RESOLUTION was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held May 9, 2006 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 the Board _____

WHEREAS California Government Code 66000 et seq. (CGC 66000) allows local agencies such as fire protection districts to *collect* fees from new development projects (residential, commercial or industrial) to mitigate the resultant impact by that development on local services; and

WHEREAS fire protection districts do not have legal authority to *levy* fees, they must rely on the legal authority of the Board of Supervisors (stemming from police power of the County) to do so; and

WHEREAS In 1990 the Board of Supervisors created a legal framework (County Code Chapter 15.36.010) that supports CGC 66000 and its requirement for a local agency to complete and submit an annual capital improvement plan. An additional requirement of CGC 66000 is that a district plan must be reviewed in a public meeting, updated annually and approved by the County Board of Supervisors; and

WHEREAS the Board of Directors of the Loomis Fire Protection District held a public hearing to review the plan on March 8, 2006 and adopted the plan by passing Resolution Number 3-2006. The plan increases the current fee structure by 4.63% based on the 2005 Construction Cost Index; and

WHEREAS Loomis Fire Protection District listed \$145,000 in revenues from new construction and \$117,000 in expenses in 2005-2006 and has expenditures in 2006-2007 of \$45,100.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the County of Placer that the Fiscal Year 2006-2007 Capital Improvement Plan and Fee Nexus Study for the Loomis Fire Protection District is hereby approved.

66

RESOLUTION NO. 3-2006

**A RESOLUTION OF THE
LOOMIS FIRE PROTECTION DISTRICT BOARD OF DIRECTORS
APPROVING A REVISED AND UPDATED CAPITAL IMPROVEMENT PLAN AND
A PERIODIC INFLATION ADJUSTMENT OF DEVELOPMENT IMPACT FEE
SCHEDULE SET FORTH IN CAPITAL IMPROVEMENT PLAN**

WHEREAS, the Board of Supervisors on August 28, 1990, adopted an Ordinance requiring payment of fees in areas where fire districts have approved a Capital Facilities Plan in compliance with Government Code 66000; and

WHEREAS, the Loomis Fire Protection District adopted a revised Capital Improvement Plan in March 2003; and

WHEREAS, the Placer County Board of Supervisors approved the revised Capital Improvement Plan in April, 2003; and

WHEREAS, the Loomis Fire Protection District is required to update and revise its current Capital Facility Plan on an annual basis; and

WHEREAS, this Board did serve proper notice that a revised plan was being considered, and did provide a public copy of the plan for viewing for the time prescribed by law prior to the hearing; and

WHEREAS, the approved Capital Improvement Plan authorizes an annual adjustment to development impact fees for fire protection services based on changes to the San Francisco Construction Cost Index (CCI) as reported in the *Engineering News Record* (ENR) for the 12-month period ending December of the prior year.

WHEREAS, the *Engineering News Record* (ENR) has reported that the change in the CCI for the twelve months ending December 2005 is an amount of 4.63 %; and

WHEREAS, notice has been given of the time and place for a hearing on action to be taken regarding the CCI adjustment and no protests were received on such action;

NOW, THEREFORE, BE IT RESOLVED by the Loomis Fire Protection District Board of Directors that the development impact fee schedule set forth in the Capital Improvement Plan is hereby adjusted by the amount of 4.63 %, shown as follows:

| <u>Land use</u> | <u>Current Fees</u> | <u>Increased Fees</u> |
|-----------------|-----------------------------------|-----------------------------------|
| Residential | \$0.46 per building sq. ft. | \$0.48 per building sq. ft. |

Non
Residential

\$0.86
per building
sq. ft.

\$0.89
per building
sq. ft.

**PASSED AND ADOPTED ON THIS 8TH DAY OF March, 2006, by the following
vote:**

AYES: Fellers, Shearer, Thomson, Markey, Tudabury

NOES: none

ABSENT: none

By: Greg E. Fellers
Greg Fellers, President

ATTEST: Barbara Leak
Barbara Leak, Secretary



ANNUAL INFLATION ADJUSTMENT AND FEE REVIEW

*LOOMIS FIRE PROTECTION DISTRICT
FEE NEXUS STUDY*

Prepared for:

The Loomis Fire Protection District Board of Directors

Greg Fellers, President
John Shearer, Vice President
Bryan Thomson, Director
Wm. M. Tudsbury, Director

For Annual Review by:
Loomis Fire Protection District Board of Directors
Placer County Board of Supervisors

Prepared by:

Karl Wayne Fowler, Chief

February 14, 2006

TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| I. <u>EXECUTIVE SUMMARY</u> | 1 |
| Overview | 1 |
| Purpose of the Study | 1 |
| Authority | 3 |
| Findings, Recommendations, and New Fee Rates | 3 |
| Applicability of Fee Program | 5 |
| Organization of Reports | 6 |
| II. <u>DEVELOPMENT PLAN AND FACILITIES</u> | 7 |
| Land Use | 7 |
| Facility Needs and Estimate Cost | 7 |
| III. <u>COST ALLOCATION AND UPDATE FEES</u> | 11 |
| Allocation of CIP Cost to New Development | 11 |
| CIP Funding Sources | 17 |
| Total Costs Attributable to New Development | 17 |
| Cost Allocations | 20 |
| Updated Fire Protection Fees | 20 |
| IV. <u>AB1600 NEXUS FINDINGS</u> | 23 |
| Authority | 23 |
| Purpose of Fees | 23 |
| Use of Fees | 24 |
| Relationship Between Use of Fees and Type of Development | 24 |
| Relationship Between Need for Facility and Type of Project | 24 |
| Relationship Between Amount of Fees and Cost of or Portion of Facility Attributed to Development Upon Which Fees Are Imposed | 24 |
| V. <u>IMPLEMENTATION</u> | 26 |
| Applicability of Fee Program | 26 |
| Fee Credits or Adjustments | 27 |
| Reimbursement to Developers | 27 |
| Periodic Inflation Adjustment and Fee Review | 28 |
| Fee Administration | 29 |
| Revenue Expenditure Table | 30 |
| District Asset List | 31 |

LIST OF FIGURES

| | | <u>Page</u> |
|----------|--|-------------|
| Map 1 | Loomis Fire Protection Boundary | 2 |
| Figure 1 | Projected Housing Units, Population, and Non-Residential Square Feet | 8 |
| Figure 2 | Loomis FPD Ten Year Capital Improvement Program | 9 |
| Figure 3 | Calculation of Existing Dwelling Unit Equivalents (DUEs) | 13 |
| Figure 4 | Calculation of Projected New Dwelling Unit Equivalents (DUEs) | 14 |
| Figure 5 | Calculation of Total DUEs | 15 |
| Figure 6 | New Development's Estimated Fair Share of Ten Year CIP | 16 |
| Figure 7 | Ten Year CIP Funding Sources | 18 |
| Figure 8 | Allocation of CIP Cost to New Development | 19 |
| Figure 9 | Cost Allocation for New Development | 21 |

I. EXECUTIVE SUMMARY

OVERVIEW

The Loomis Fire Protection District (District) is located in Placer County and includes the City of Loomis and unincorporated portions of the County. The District covers an area of about 18.8 square miles. The District boundary and existing and proposed fire station locations are shown in **Map 1**. The District is semi-rural, semi-urban with relatively low-density development.

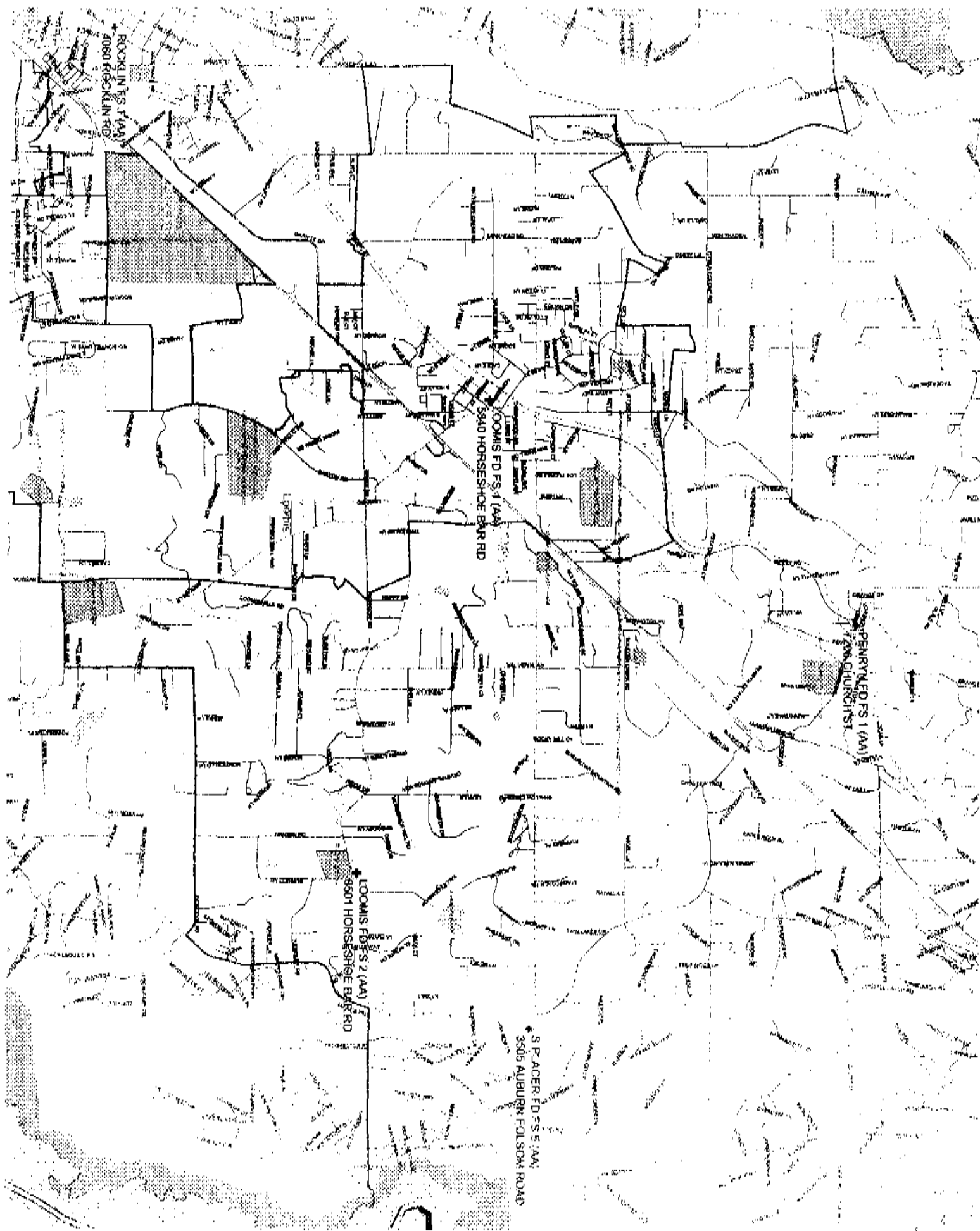
The District is called upon to respond to wildland fire events within the District and to provide mutual aid support for the California Department of Forestry and Fire Protection for wildlands protection outside the District. The District also provides back up service for surrounding fire districts with more urbanized development. Automatic aid and/or mutual aid agreements cover this response. The District also provides first responder service on medical emergencies.

The Loomis Fire Protection District has prepared an updated Capital Improvement Program (CIP) outlining the planned capital costs for the District over the next ten years. The CIP describes the facilities and equipment required to provide continuing fire service within the District.

Economic & Planning Systems, Inc. (EPS) has prepared this Fee Nexus Study to establish the nexus between the new development that is projected to occur in the District and the portion of the necessary fire protection improvements that will be funded by the updated development impact fees proposed for adoption by the District.

PURPOSE OF THE STUDY

The purpose of this study is to establish the nexus between new development that occurs within the District and the need for additional fire protection improvements, for which the Loomis Fire Protection District is the service provider. After establishing the nexus, this study calculates the updated development impact fees to be levied for residential and non-residential land uses in the District based upon the proportionate share of the total facility use for each land use.



ROCKLIN FS 1 (AA)
4050 ROCKLIN RD

LOOMIS FD FS 1 (AA)
5940 HORSESHOE BAR RD

LOOMIS FD FS 2 (AA)
6501 HORSESHOE BAR RD

PENRYN FD FS 1 (AA)
7200 CHURCH ST

S PACER FD FS 5 (AA)
3505 AUBURN FOLSOM ROAD

AUTHORITY

This Fee Nexus Study has been prepared to establish updated development impact fees pursuant to the District's police power in accordance with the procedural guidelines as codified in California Government Section 66000 *et seq.* This code section sets forth the procedural requirements for establishing and collecting development impact fees. These procedures require that "a reasonable relationship," or nexus, must exist between a governmental exaction and the purpose of the condition. Specifically, each local agency imposing a fee must:

- Identify the purpose of the fee,
- Identify how the fee is to be used,
- Determine how a reasonable relationship exists between the fee's used and the type of development project on which the fee is imposed,
- Determine how a reasonable relationship exists between the need for public facilities and the type of development project on which the fee is imposed, and,
- Determine how a reasonable relationship exists between the fee and the cost of public facility or portion of the public facility attributable to the development on which the fee is imposed.

The development fees to be collected for each land use are calculated based upon the proportionate share of the total facility use that each land use represents. The result of this calculation is the updated District fire protection fees.

FINDINGS, RECOMMENDATIONS, AND NEW FEE RATES

As outlined in the District's CIP, a series of fire protection improvements are needed that benefit both new and existing development in the District. The total cost of these CIP improvements, including the cost of financing the improvements, is estimated at approximately \$2.3 million. The additional cost associated with updating the fees and administering the fee program is estimated at approximately \$38,500.

Based on the analysis contained in this study, EPS reached the following major findings and recommendations:

- Existing development's fair share of the \$2.3 million in CIP costs is approximately \$1.8 million. In order to obtain this required funding, the District will need to develop a financing plan. The findings in this Nexus Study rely upon

the assumption that the District successfully implements a plan to fund \$1.8 million of the \$2.3 million CIP improvements.

- New development within the District will require new fire protection improvements not funded by other sources of revenue. Approximately \$428,000 of the \$2.3 million in total CIP costs, along with \$38,500 in total fee update and administration costs are planned to be funded by the updated fire protection development impact fees established by the District.
- EPS recommends the updated fees provide a square footage fee for both residential and non-residential uses rather than continue to use "minimum fees" in addition to the square footage fees as established in the existing fee program. The nexus in this study is based on projected new residential and non-residential square footage so that proportionally smaller structures pay a lower fee than larger structures. Minimum fees are no longer applicable.
- EPS recommends the updated fee program provided for an automatic inflationary increase, whereas the existing fee program did not include this provision.

The current and proposed fire protection fees are outlined below. The necessary findings and calculations for the update fees are presented in the following chapter.

| Land Use | Current Fire Protection Fees | Proposed Fire Protection Fees |
|-----------------|---------------------------------|----------------------------------|
| Residential | \$0.46 per building sq. ft. | \$0.48 per building sq. ft. |
| Non-Residential | \$0.86 per building sq. ft. | \$0.89 per building sq. ft. |

"Periodic Inflation Adjustment" (Nexus)

[1] Construction Cost Index (CCI) Average Annual Increase from December 2004 to December 2005 is 4.63%.

[2] Construction Cost Index (CCI) Average Annual Increase from December 2004 to December 2005 was published in the December 2005 edition of the Engineering News Record (ENR).

The updated fees presented in this Fee Nexus Study are based on the available cost estimates and land use information at this time. If costs change significantly, or if other funding sources become available, the fees will be adjusted accordingly. The District will periodically conduct a review of improvement costs and will make necessary adjustments to the fees, including applying an appropriate inflation adjustment factor to the fees to reflect changes in construction costs.

B

APPLICABILITY OF FEE PROGRAM

Once the updated fee program is in effect, the fire protection fees will be collected from all new development within the boundary of the Loomis Fire Protection District prior to building permit issuance. The fee is based on the covered square footage of the structure(s) which would include living/habitable area, garages, covered patios, carports, etc.

The term "new development" as used in this Fee Nexus Study includes the covered building square footage of additions and/or modifications to existing development as long as the addition/modification increases the existing structure by over 500 square feet.

FEE EXEMPTIONS

The following types of development are specifically exempt from the fire protection fee program.

1. Per Placer County's Ordinance 4225-B, any internal or external alteration or modification to existing residential and non-residential buildings when no change in use occurs and the square footage increase is 500 square feet or less.
2. Any replacement or reconstruction of any structure that is damaged or destroyed as a result of fire, flood, explosion, wind, earthquake, riot, or other calamity, or act of God. If the building replaced or reconstructed exceeds the documented total floor area of the damaged/destroyed building, the excess square footage is subject to the fire protection fee. If a structure has been vacant for more than one year, no exemption or credit shall apply. If a structure is replaced with an alternative land use, such as replacing a single family home with a commercial building, no exemption shall apply.
3. Residential accessory structures that do not increase covered building square footage such as open decks and pools.

With written approval from the District's Board, any or all of the fire protection fees may be waived if the District's Board determines that a proposed project will not impact the fire facilities for which the fee is being collected. Written fee waivers may be available on a case-by-case basis for certain agricultural facilities, temporary structures (including temporary mobile homes), or other facilities that are determined by the District's Board to not impact the fire facilities identified in the fee program.

ORGANIZATION OF REPORT

The report is divided into five chapters including this Executive Summary, **Chapter I**. **Chapter II** describes the future development and facility needs. **Chapter III** provides the cost allocations and the fee calculation for the fire protection improvements. **Chapter IV** provides the nexus findings for the proposed development impact fees. **Chapter V** describes how the fees will be implemented. **Appendix A** includes detailed fire protection improvement financing cost estimates and existing District facilities and equipment valuations.

II. DEVELOPMENT PLAN AND FACILITY NEEDS

LAND USE

As shown in **Figure 1**, using information provided by Placer County, the Town of Loomis, and the Sacramento Area Council of Governments, the District will contain approximately 3,550 residential units and 870,000 square feet of non-residential development by the end of 2012 (in ten years). Current land uses include approximately 3,200 residential units and 800,000 square feet of non-residential development, so approximately 90 percent of the development expected to be completed at the end of 2012 currently exists.

Future land uses include approximately 350 residential units and 70,000 square feet of non-residential uses. The projected new 350 residential units are estimated to contain 980,000 square feet, assuming an average size of 2,800 square feet per residential unit. The average size per residential unit is based on new and used residential sales data for the area and includes an average sized home of 2,200 square feet with a 600 square foot garage.

FACILITY NEEDS AND ESTIMATED COST

The fire protection facility needs and associated costs as outlined in the District's Capital Improvement Program (CIP) are shown in **Figure 2**. The cost estimates include the facilities, equipment, and associated financing costs.

As shown in **Map 1**, the District currently operates out of two existing fire stations. Station #1 is located in downtown Loomis on Horseshoe Bar Road. Station #2 is located in the east portion of the District on Horseshoe Bar Road near Tudsbury Road.

The east side of the District is separated from the west side of the District by the Southern Pacific rail line. To ensure the necessary uninterrupted fire protection is available to the west side of the District, a new Station #3 must be constructed. As outlined in the CIP and as shown on **Map 1**, Station #3 is planned for the vicinity of King Road and Sierra College Boulevard. The new satellite Station #3 is proposed to be a 2,000 square foot prefabricated metal building.

Figure 1
Loomis Fire Protection District Fee Study
Project Housing Units, Population, and Non-Residential Square Feet

| Item | Existing Development | Projected Development | | | | | | | | | | | | | | | | | | |
|---|----------------------|-----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | | | | | | | | | |
| Residential Units | | | | | | | | | | | | | | | | | | | | |
| Projected New Housing Units [2] | [1] | 50 | 50 | 50 | 50 | 50 | 50 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Cumulative New Housing Units | 3,187 | 50 | 100 | 150 | 200 | 250 | 270 | 290 | 310 | 330 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 |
| Cumulative Total Housing Units | | 3,237 | 3,287 | 3,337 | 3,387 | 3,437 | 3,457 | 3,477 | 3,497 | 3,517 | 3,537 | 3,537 | 3,537 | 3,537 | 3,537 | 3,537 | 3,537 | 3,537 | 3,537 | 3,537 |
| Residential Square Feet [3] | | | | | | | | | | | | | | | | | | | | |
| Projected New Residential Square Feet | | 140,000 | 140,000 | 140,000 | 140,000 | 140,000 | 140,000 | 56,000 | 56,000 | 56,000 | 56,000 | 56,000 | 56,000 | 56,000 | 56,000 | 56,000 | 56,000 | 56,000 | 56,000 | 56,000 |
| Cumulative New Square Feet | | 140,000 | 280,000 | 420,000 | 560,000 | 700,000 | 756,000 | 812,000 | 868,000 | 924,000 | 980,000 | 980,000 | 980,000 | 980,000 | 980,000 | 980,000 | 980,000 | 980,000 | 980,000 | 980,000 |
| Cumulative Total Square Feet | | 9,062,480 | 9,202,480 | 9,342,480 | 9,482,480 | 9,622,480 | 9,678,480 | 9,734,480 | 9,790,480 | 9,846,480 | 9,902,480 | 9,902,480 | 9,902,480 | 9,902,480 | 9,902,480 | 9,902,480 | 9,902,480 | 9,902,480 | 9,902,480 | 9,902,480 |
| Non-Residential Square Feet | | | | | | | | | | | | | | | | | | | | |
| Projected New Non-Residential Square Feet [1] | | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 |
| Cumulative New Square Feet | | 7,000 | 14,000 | 21,000 | 28,000 | 35,000 | 42,000 | 49,000 | 56,000 | 63,000 | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 |
| Cumulative Total Square Feet | | 807,000 | 814,000 | 821,000 | 828,000 | 835,000 | 842,000 | 849,000 | 856,000 | 863,000 | 870,000 | 870,000 | 870,000 | 870,000 | 870,000 | 870,000 | 870,000 | 870,000 | 870,000 | 870,000 |
| Population | | | | | | | | | | | | | | | | | | | | |
| Projected New Population [4] | | 137 | 137 | 137 | 137 | 137 | 137 | 55 | 55 | 55 | 55 | 55 | 55 | 55 | 55 | 55 | 55 | 55 | 55 | 55 |
| Cumulative New Population | | 137 | 274 | 411 | 549 | 686 | 741 | 795 | 850 | 905 | 960 | 960 | 960 | 960 | 960 | 960 | 960 | 960 | 960 | 960 |
| Cumulative Population | | 8,620 | 8,757 | 8,894 | 9,032 | 9,169 | 9,274 | 9,278 | 9,333 | 9,388 | 9,443 | 9,443 | 9,443 | 9,443 | 9,443 | 9,443 | 9,443 | 9,443 | 9,443 | 9,443 |

Projections*

- [1] Existing residential units and population based on Department of Finance Records for the Town of Loomis as of January 1, 2002 and SACOG Minor Zone projections for the portion of the Loomis Fire Protection District outside of the Town of Loomis. Non-Residential square feet is based on the Town of Loomis Comprehensive General Plan Update Final Environmental Impact report.
- [2] Projected new development is based on conversations with Town of Loomis and Placer County planning staff. Residential development within the Town of Loomis is expected to increase within the next five years due to current and proposed projects. Residential development within the County portion of the District is expected to be negligible.
- [3] Assumes an average home size of 2,800 square feet, which includes 2,200 square feet of living space and 600 square feet of garage space. Average home size is based on home sales information within and around the Town of Loomis.
- [4] Based on 2.7 persons per household from the Department of Finance.

Figure 2
Loomis Fire Protection District Fee Nexus Study
Loomis FPD Ten Year Capital Improvement Program (2003 \$)

| Item | Quantity | Unit Cost | Total Cost |
|---|---------------|-----------|--------------------|
| <u>Facilities</u> | | | |
| Station #1 Expansion and Upgrade (Type II / III constr.) | 4,000 sq. ft. | \$260 | \$1,040,000 |
| New Station #3 - Property Acquisition (Finished pad cost) | 1 acre | \$200,000 | \$200,000 |
| New Station #3 - Prefab. Metal Building and Foundation | 2,000 sq. ft. | \$50 | \$100,000 |
| Subtotal Facilities | | | \$1,340,000 |
| <u>Equipment</u> | | | |
| Station #1 Structure Engine | 1 engine | \$370,000 | \$370,000 |
| Subtotal Equipment | | | \$370,000 |
| <u>Financing Costs</u> | | | |
| Issuance Cost (see Figure A-1) | | | \$213,200 |
| Interest Cost (see Figure A-2) | | | \$605,399 |
| Less Adjustment for Reserve Fund (see Figure A-2) | | | (\$185,000) |
| Subtotal Financing Costs | | | \$633,599 |
| TOTAL ESTIMATED TEN YEAR CIP COST | | | \$2,343,599 |

"CIP"

Source: Loomis Fire Protection District. EPS provided the estimated financing costs.

The CIP also proposes to expand the size of the District's Station #1 and to include a new Structure Engine at this station. The cost estimate for the expansion of Station #1 is based on Type II or III construction.

The total estimated cost of CIP improvements, including financing costs, is \$2.3 million, as shown in **Figure 2**. The estimated facility and equipment capital costs were provided by the District, and EPS provided the estimate for financing costs. The \$2.3 million in CIP costs include approximately \$1.0 million for the expansion of Station #1, \$200,000 for the property acquisition for the proposed Station #3, \$100,000 for the construction of the proposed Station #3, \$300,000 for the acquisition of an additional engine, and approximately \$634,000 in financing costs.

The financing cost detail is found in **Figures A-1 and A-2** in **Appendix A**. A financing component has been added to the CIP to allow for funding of the fire protection improvements when needed. For purposes of this Nexus Study, EPS assumed the District will use Certificates of Participation in 2004 to finance the cost of the CIP. When the District is ready to finance the CIP, various financing alternatives will be evaluated and a financing method selected.

In addition to the CIP improvements shown in **Figure 2**, the updated development impact fees include approximately \$38,500 in estimated costs to update and administer the fee program. These additional costs are detailed in **Chapter III**.

The development impact fees presented in this Fee Nexus Study are based on the best available cost estimates and land use information at this time. If costs change significantly, or if other funding sources become available, the fees will be adjusted accordingly. The District will periodically conduct a review of improvement costs and will make necessary adjustments to the fees.

It should be noted that the County of Placer is currently undergoing a major improvement to its current radio system and is in the process of installing a digital trunking system to allow all agencies within the County to communicate effectively. The costs associated with the radio system upgrade could be substantial, and at this time are not known. What is known however, is that the Loomis Fire District will not be able to fund its share of the costs associated with the new digital radio system without **substantially** raising mitigation fees. Accordingly, once costs are known relevant to the new radio system, the Loomis Fire Protection District will have to amend its Capital Improvement Plan to accommodate the additional costs incurred from the new radio infrastructure.

III. COST ALLOCATION AND UPDATED FEES

This chapter describes the cost allocation methodology and provides the calculation of the updated District fire protection fees. The methodology for calculating the fees is as follows.

1. Determine projected new development to occur in the District over the ten-year CIP period (summarized in the previous chapter).
2. Determine the new fire protection improvements needed and their associated costs. This is the CIP provided by the District (summarized in the previous chapter).
3. Determine new development's fair share of the total fire protection improvement costs planned in the District over the ten-year CIP period (described in this chapter).
4. Determine the additional costs attributable to new development. This includes the costs to update and administer the fee program (described in this chapter).
5. For fire protection improvements benefiting new development (described in this chapter):
 - a. Calculate and apply the Dwelling Unit Equivalent (DUE) factors (based on the number of fire service calls) to allocate fire protection costs equitably to residential and non-residential land uses.
 - b. Divide the total costs allocated to residential and non-residential land uses by the number of building square feet to determine the cost per building square foot.
 - c. Determine the fire protection fee per building square foot for residential development and non-residential development.

ALLOCATION OF CIP COSTS TO NEW DEVELOPMENT

The cost allocation to new development for CIP fire protection improvements is based on maintaining the same level of service for new development that is currently provided to existing development. For purposes of this study, the level of service is based on the ratio of DUEs to total estimated District facility and equipment valuation.

DWELLING UNIT EQUIVALENT (DUE) CALCULATION

A DUE is a common use factor that allows the allocation of improvement costs among residential and non-residential land uses. A DUE is defined as the amount of facility and equipment use for each land use type relative to a single family unit, so the DUE for a single family unit is 1.0. The DUE factors used in this study are based on the number of fire service incidents per residential unit and per non-residential building square foot as outlined in **Figure 3**. Total existing DUEs by land use are calculated by multiplying the DUE factor by the applicable amount of existing development within the District.

The estimated new DUEs from projected new development are calculated in **Figure 4** using the same methodology outlined in **Figure 3**. The total estimated DUEs from both existing development and projected new development are shown in **Figure 5**, along with the percentage of existing and new DUEs. **Figure 5** indicates approximately 90 percent of the total DUEs are attributable to existing development while approximately 10 percent of the total DUEs are attributable to new development.

FACILITIES AND EQUIPMENT VALUATION

Figure A-3 in Appendix A outlines the estimated value of the District's current facilities and equipment. Replacement cost valuation was used for the buildings and the District's insurance information was used as the basis for the equipment valuation. The total valuation for the District's current facilities is estimated at approximately \$2.2 million.

Figure 2 outlines the District's 2003 ten year CIP. The total costs associated with these future facilities and equipment (including financing) is estimated at approximately \$2.3 million. The total valuation of the current District facilities and equipment combined with the ten-year CIP cost estimate provides a total District capital asset valuation estimate of approximately \$4.4 million.

FAIR SHARE CIP COST ALLOCATION TO NEW DEVELOPMENT

Figure 6 outlines new development's fair share of the ten-year CIP. While the ten-year CIP costs are estimated at \$2.3 million, based on existing levels of service, approximately \$428,000 in costs are allocated to new development based on the ratio of new development's DUEs to total estimated District facility and equipment valuation.

Figure 3
Loomis Fire Protection District Fee Nexus Study
Calculation of Existing Dwelling Unit Equivalents (DUE's)

| Development Type | Estimated Existing Units/Building Sqft (see Figure 1) | Total Fire Service Incidents 1 | Incidents Per Unit/Building Sqft | DUEs Per Unit/Building Sqft | Total Existing DUEs |
|------------------|---|--------------------------------|----------------------------------|-----------------------------|---------------------|
| | (a) | (b) | (b/a) | (c=note [2]) | (axc) |
| Residential | units 3,187 | 36 | per unit 0.0112973 | per unit 1.0 | 3,187 |
| Non-Residential | bldg. sqft 800,000 | 6 | per bldg. sqft 0.0000075 | per bldg. sqft 0.0006639 | 531 |
| Total | | 42 | | | 3,718 |

DUE calc

Note: A DUE is defined as the amount of facility and equipment use for each land use type relative to a single family unit.

[1] Based on the number of District calls for fire protection service for residential and non-residential land uses from January 2002 through June 2002.

[2] DUEs per residential unit equal the relative share of fire service use as compared to a single family unit. The DUEs per square foot for non-residential development are calculated by dividing the non-residential incidents per building square foot by the incidents per unit for residential units.

84

Figure 4
Loomis Fire Protection District Fee Nexus Study
Calculation of Projected New Dwelling Unit Equivalents (DUE's)

| <u>Development Type</u> | <u>Estimated New Units/Building Sq. ft.</u> (see Figure 1) | <u>DUEs Per Unit/Building Sq. ft.</u> (see Figure 3) | <u>Total New DUEs</u> | <u>Percentage of Total New DUEs</u> |
|-------------------------|---|---|-----------------------|-------------------------------------|
| Residential | (a) <i>units</i> 350 | (b) <i>per unit</i> 1.0 | (a x b) 350 | 88% |
| Non-Residential | <i>bdg. sqft</i> 70,000 | <i>per bdg. sqft</i> 0.0006639 | 46 | 12% |
| Total | | | 396 | 100% |

new DUEs

Note: A DUE is defined as the amount of facility and equipment use for each land use type relative to a single family unit.

Figure 5
Loomis Fire Protection District Fee Nexus Study
Calculation of Total DUE's (through 2012)

| Item | Residential | Non-Residential | Total | Percentage of Total DUEs |
|------------------------------|--------------|-----------------|--------------|--------------------------|
| Existing DUEs (see Figure 3) | 3,187 | 531 | 3,718 | 90% |
| New DUEs (see Figure 4) | 350 | 46 | 396 | 10% |
| Total DUEs | 3,537 | 578 | 4,114 | 100% |

"Total DUEs"

Note: A DUE is defined as the amount of facility and equipment used for each land use type relative to a single family unit.

Figure 6
Loomis Fire Protection District Fee Nexus Study
New Development's Estimated Fair Share of Ten Year CIP

| Item | Source | Calculation | Quantity |
|---|------------|----------------|------------------|
| Current Value of Existing District Facilities and Equipment | Figure A-3 | | \$2,166,696 |
| Estimated Cost of Ten Year CIP | Figure 2 | | \$2,273,599 |
| Total District Capital Asset Valuation | | (a) | \$4,440,295 |
| New Development's Share of Total DUEs | Figure 5 | (b) | 10% |
| Projected New Development's Share of Ten Year CIP | | (a x b) | \$427,899 |

"share"

CIP FUNDING SOURCES

EXISTING DEVELOPMENT'S FAIR SHARE OF CIP

Figure 7 outlines the identified funding sources for the District's ten year CIP. **Figure 7** shows approximately \$1.8 million of the \$2.3 million in CIP improvements to be constructed and acquired over the next ten-year period must be funded by existing development.

EPS has identified property taxes, special taxes, assessments, grants, and other revenues as potential sources of funding the \$1.8 million. The District will need to develop a financing plan to set forth the strategy for funding the \$1.8 million in fire protection improvements attributable to existing development.

The District should begin the process of formulating a financing plan upon adoption of this Nexus Study, since some of the financing mechanisms available to fund the \$1.8 million in CIP costs require voter approval to implement. The findings in this Nexus Study rely upon the assumption that the District successfully implements a plan to fund \$1.8 million of the \$2.3 million in CIP improvements.

NEW DEVELOPMENT'S FAIR SHARE OF CIP

The District has indicated there is no current development impact fee revenue or other revenues available to fund the improvements outlined in the CIP. As shown in Figure 7, development impact fees are the only available funding source to fund the approximately \$428,000 in CIP fire protection improvements attributable to new development. The calculation of the development impact fees for residential and non-residential land uses are outlined in the remainder of this chapter.

TOTAL COSTS ATTRIBUTABLE TO NEW DEVELOPMENT

There are two additional cost items attributable to new development over and above the \$428,000 in CIP costs. As shown in Figure 8, the costs to periodically update the fire protection fees and the costs to administer the fee program are both additional costs attributable to new development.

EPS estimates the cost to periodically update the fire protection fees, which includes the 2003 update, and the cost to administer the fee program total approximately \$38,500.

**Figure 7
Loomis Fire Protection District Fee Nexus Study
Ten Year CIP Funding Sources**

| Item | Source | Funding Required | Funding Sources |
|--|----------|--------------------|--|
| New Development's Share of Ten Year CIP | Figure 6 | \$427,699 | Development Impact Fee |
| Existing Development's Share of Ten Year CIP | Figure 2 | \$1,845,700 | Property Taxes, Special Taxes, Grants, and Other Funding Sources |
| Total Ten Year CIP | | \$2,273,599 | |

"sources"

89

Figure 8
Loomis Fire Protection District Fee Nexus Study
Total Cost Allocation to New Development

| Item | Source | Funding Required |
|--|----------|------------------|
| New Development's Share of Ten Year CIP | Figure 6 | \$427,899 |
| Estimated Cost to Update the Fee Program | [1] | \$25,000 |
| Subtotal Cost Allocation to New Development | | \$452,899 |
| Three Percent Fee Program Administrative Cost | [2] | \$13,587 |
| Total Cost Allocation to New Development | | \$466,486 |

"total_newdev-cost"

[1] The cost to update the fee program, as estimated by EPS, includes the 2003 update as well as periodic updates required during the ten year CIP.

[2] The administrative cost, as estimated by EPS, are those associated with fee collection and accounting.

The three percent administrative cost estimate includes the costs associated with fee collection and accounting. Total costs attributable to new development are estimated at \$466,500 (\$428,000 for the CIP costs and \$38,500 to update and administer the fee program).

COST ALLOCATION

The purpose of allocating certain improvement costs among residential and non-residential land uses is to provide an equitable and economical method of funding required infrastructure. Such allocation also serves as a method of testing the reasonableness of the overall cost burden on new development.

The key to the apportionment of the cost of public improvements to different land uses is the assumption that the demands placed on public facilities and equipment are related to land use type and that such demands can be stated in relative terms for residential and non-residential land uses. Only by relating demand for facilities and equipment to land use types can a reasonable nexus, or relationship, be established for the apportionment of costs to that land use.

As shown in **Figure 9**, the fire protection improvement cost allocations to residential and non-residential land uses are based upon the percent share of total use of the improvements. In order to calculate total use, DUE factors are developed to relate relative benefits across different land uses. The DUE factors are based upon the number of fire service incidents for each land use.

Figure 9 indicates that the residential demand for fire protection facilities, expressed as a percentage distribution of new DUEs, is 88 percent, while the non-residential demand is 12 percent.

UPDATED FIRE PROTECTION FEES

Figure 9 shows the updated fire protection fees for residential and non-residential building square footage. The updated fire protection fees are needed from new development within the District to fund the cost of fire protection improvements attributable to new development that are not funded by any other source. As assumptions and cost estimates contained in this study will change over time, the Nexus Study will require periodic updating.

Figure 9
Loomis Fire Protection District Fee Nexus Study
Cost Allocation for New Development

| Development Type | Percentage Distribution of New Dues <i>(see Figure 4)</i> | Cost Allocation Based on Percentage <i>(total from Fig. 8)</i> | Projected Development (Building Sqft) <i>(see Figure 1)</i> | Fire Protection Fee Per Building Square Foot <i>(a / b)</i> |
|------------------|--|---|--|--|
| | | (a) | (b) | |
| Residential | 88% | \$411,808 | 980,000 | \$0.42 |
| Non-Residential | 12% | \$54,678 | 70,000 | \$0.78 |
| Total | 100% | \$466,486 | 1,050,000 | |

cost alloc

The updated fees differ from the existing fee program in two ways. First, the updated fees do not incorporate the use of "minimum fees" as does the existing program. The nexus in this study is based on projected new residential and non-residential square footage, so that proportionally smaller structures pay lower fees than larger structures. Minimum fees are no longer applicable. The second way the updated fee program differs from the existing fee program is the inclusion of an automatic inflationary adjustment as outlined in **Chapter V**.

IV. AB1600 NEXUS FINDINGS

AUTHORITY

This Fee Nexus Study has been prepared to establish updated fire protection fees for the Loomis Fire Protection District in accordance with the procedural guidelines established in AB1600, which is codified in California Government Section 66000 *et seq.* These code sections set forth the procedural requirements for establishing and collecting various development impact fees. These procedures require that "a reasonable relationship or nexus must exist between a governmental exaction and the purpose of the condition."¹ Specifically, each local agency imposing a fee must:

- Identify the purpose of the fee,
- Identify how the fee is to be used,
- Determine how a reasonable relationship exists between the fee's use and the type of development project on which the fee is imposed,
- Determine how a reasonable relationship exists between the need for the public facility and the type of development project on which the fee is imposed, and,
- Demonstrate a reasonable relationship between the amount of the fee and the cost of public facility or portion of the public facility attributable to the development on which the fee is imposed.

PURPOSE OF FEES

The fire protection fees will help maintain adequate levels of service for fire protection in the District. New development in the District will increase the demand for fire protection services. The fire protection fees will fund fire facilities and equipment necessary to accommodate residential and non-residential development in the District. The District's CIP is described in more detail in **Chapter II**, and new development's share of the CIP and the cost to update and administer the fees are described in detail in **Chapter III**.

¹ *Public Needs & Private Dollars*, William Abbott, Marian E. Moe, and Marilee Hanson, page 109.

USE OF FEES

The fire protection fees collected from new development in the District will be used to fund additional facilities and equipment needed to accommodate future fire protection service for residential and non-residential development. Fire facility and equipment improvements include an expansion of Station #1, construction of Station #3, property acquisition for Station #3, a structure engine, and associated financing costs.

RELATIONSHIP BETWEEN USE OF FEES AND TYPE OF DEVELOPMENT

The development of residential and non-residential land uses in the District will generate additional demand for fire services and fire protection improvements. The fire protection fees will be used to fund these improvements, which are necessary to serve new development in the District, as outlined in this Fee Nexus Study.

RELATIONSHIP BETWEEN NEED FOR FACILITY AND TYPE OF PROJECT

Each residential and non-residential development project will add to the incremental need for additional fire protection capacity, and each new project will benefit from the new fire protection capacity. For the new development described in this Fee Nexus Study to occur in the District, fire protection facilities and equipment must be added in order to provide an adequate level of fire protection service in the District.

RELATIONSHIP BETWEEN AMOUNT OF FEES AND COST OF, OR PORTION OF, FACILITY ATTRIBUTED TO DEVELOPMENT UPON WHICH FEES ARE IMPOSED

Construction and acquisition of necessary fire protection improvements will directly serve new residential and non-residential development within the District.

For fire protection improvements, the appropriate DUE factor for allocating costs to residential and non-residential land uses is based on the number of fire service incidents generated by each land use.

As shown in **Figure 2**, the District estimated the total cost of the required fire protection improvements listed in the CIP, and EPS estimated the associated financing costs. These estimated costs have been allocated first to new development's fair share and then to residential and non-residential land uses.

New development's fair share of the total CIP costs is based on the ratio of new DUEs to total estimated District facility and equipment valuation as shown in **Figures 5 and 6**. The total costs attributable to new development, which include the CIP costs and the cost to update and administer the fees, are shown in **Figure 8**. The allocation of costs to residential and non-residential land uses is based on the percentage distribution of new DUEs as shown in **Figure 9**. The final result is square footage fire protection fees attributed to residential and non-residential land uses.

V. IMPLEMENTATION

The fire protection fees presented in this Fee Nexus Study are based on the best-cost estimates, administrative cost estimates, and land use information available at this time. If costs change significantly in either direction, or if CIP funding from sources associated with existing development does not become available, or is reduced, the fire protection fees should be adjusted accordingly.

The CIP and updated fire protection fees should be adopted by the District Board. The updated fire protection fees should then be presented to both the Placer County Board of Supervisors and the Loomis Town Council for adoption. The updated fees will be effective in Placer County's portion of the District and in the Town of Loomis' portion of the District 60 days following each jurisdiction's final action on the adoption of the Fee Nexus Study, the ordinance authorizing collection of the updated fire protection fees, and the fee resolution establishing the updated fees.

The District should conduct periodic reviews of the estimated costs and associated funding sources. Based on these reviews, the District should make necessary adjustments to the fire protection fees. Each year the District should apply an appropriate inflation adjustment factor to the fees to reflect changes in construction.

APPLICABILITY OF FEE PROGRAM

Once the updated fee program is in effect, the fire protection fees will be collected from all new development within the boundary of the Loomis Fire Protection District prior to building permit issuance. The fee is based on the covered square footage of the structure(s), which would include living/habitable area, garages, covered patios, carports, etc.

The term "new development" as used in this Fee Nexus Study includes the covered building square footage of additions and/or modifications to existing development as long as the additional/modification increases the existing structure by more than 500 square feet.

FEE EXEMPTIONS

The following types of development are specifically exempt from the fire protection fee program.

1. Per Placer County's Ordinance 4225-B, any internal or external alteration or modification to existing residential and non-residential buildings when no change in use occurs and the square footage increase is 500 square feet or less.
2. Any replacement or reconstruction of any structure that is damaged or destroyed as a result of fire, flood, explosion, wind, earthquake, riot, or other calamity, or act of God. If the building replaced or reconstructed exceeds the documented total floor area of the damaged/destroyed building, the excess square footage is subject to the fire protection fee. If a structure has been vacant for more than one year, no exemption or credit shall apply. If a structure is replaced with an alternative land use, such as replacing a single family home with a commercial building, no exemption shall apply.
3. Residential accessory structures that do not increase covered building square footage such as open decks and pools.

With written approval from the District's Board, any or all of the fire protection fees may be waived if the District's Board determines that a proposed project will not impact the fire facilities for which the fee is being collected. Written fee waivers may be available on a case-by-case basis for certain agricultural facilities, temporary structures (including temporary mobile homes), or other facilities that are determined by the District's Board to not impact the fire facilities identified in the fee program.

FEE CREDITS OR ADJUSTMENTS

The purpose of the fire protection fees is to collect funds to construct/acquire new fire protection improvements. Although it is not currently anticipated that developers will construct/acquire fire protection improvements included in the fee program, should this occur, the developers will receive credits against the fee. Fee credits will be realized at the time of building permit issuance.

REIMBURSEMENT TO DEVELOPERS

In the event a developer or developers do construct/acquire any fire protection improvements included in the fees, reimbursements will be provided under the following conditions.

1. Developer-installed/acquired improvements shall be considered for reimbursement. Only funds collected from the fire protection fees shall be used to reimburse a developer who installed eligible facility improvements or acquired eligible equipment identified in the CIP.
2. The value of any developer-installed/acquired improvement for fee credit or reimbursement purposes shall be based upon the cost estimates (as updated) used to establish the amount of the fire protection fees.
3. The use of accumulated fee revenues shall be used in the following priority order: (1) critical projects, (2) repayment of inter-fund loans, (3) repayment of accrued reimbursement to private developers.

A project is deemed to be a "critical project" when failure to complete the project prohibits further development within the District.

PERIODIC INFLATION ADJUSTMENTS AND FEE REVIEW

The fire protection fees will be automatically adjusted annually to account for the inflation of construction and acquisition costs. In March of each calendar year, the fire protection fees will automatically increase by the San Francisco Construction Cost Index (CCI) as reported in the *Engineering News Record (ENR)* for the 12-month period ending December of the prior year.

The fire protection fees are subject to adjustment based on changes in developable land, cost estimates, or other funding sources. The District will review the fire protection fees on a periodic basis to determine if any adjustments to the fees are warranted. This review will include:

- Changes to the required facilities or equipment listed in the CIP,
- Changes in the cost to update and/or administer the fees,
- Changes in costs due to inflation,
- Changes in assumed land uses, and
- Changes in other funding sources.

Any changes to the fire protection fees based on the periodic review will be presented to the County of Placer Board of Supervisors and the Loomis Town Council prior to any adjustment of the fees.

FEE ADMINISTRATION

The fire protection fees will be collected from new development within the District at the time of building permit issuance; however, use of these funds may need to wait until a sufficient fund balance can be accrued. Per Government Code Section 66006, the District is required to deposit, invest, account for, and expend the fees in a prescribed manner.

FIVE YEAR REVIEW

The fifth fiscal year following the first deposit into the fee account or fund, and every five years thereafter, the District is required to make all of the following findings with respect to that portion of the account or fund remaining unexpended:

- Identify the purpose of the fee,
- Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.
- Identify all sources and amounts of funding anticipated to complete financing in incomplete fire protection improvements, and
- Designate the approximate dates that the funding referred to above is expected to be deposited in the appropriate account or fund.

The District must refund the unexpended or uncommitted revenue portion for which a need could not be demonstrated in the above findings, unless the administrative costs exceed the amount of the refund.

**Loomis Fire Protection District
Schedule of Development Fees
Five Year History**

| Fiscal Year: | 2000-2001 | 2001-2002 | 2002-2003 | 2003-2004 | 2004-2005 |
|--|------------------|------------------|------------------|------------------|------------------|
| Fund Balance, beginning of year | 35,492 | 80,500 | 111,340 | 157,416 | 150,589 |
| Development Fees Collected | 45,399 | 67,508 | 63,393 | 140,731 | 143,473 |
| Interest | | | | 136 | 150 |
| available funds | 80,891 | 148,008 | 174,733 | 298,283 | 294,212 |
| Qualified Expenditures | | | | | |
| Equipment | | 36,668 | 8,151 | 146,576 | 240,877 |
| Land & Buildings | 391 | | | 1,080 | 6,933 |
| FACE Plan Update | | | 9,166 | 38 | 158 |
| Total expenditures | 391 | 36,668 | 17,317 | 147,694 | 247,968 |
| Fund Balance, end of year | 80,500 | 111,340 | 157,416 | 150,589 | 46,244 |

**Loomis Fire Protection District
Schedule of Development Fees
Five Year Projection**

| Fiscal Year: | 2005-2006 | 2006-2007 | 2007-2008 | 2008-2009 | 2009-2010 |
|--|------------------|------------------|------------------|------------------|------------------|
| Fund Balance, beginning of year | 46,244 | 74,284 | 178,284 | 290,384 | 404,534 |
| Development Fees Collected | 145,000 | 149,000 | 153,000 | 158,000 | 163,000 |
| Interest Earned | 140 | 100 | 200 | 250 | 300 |
| available funds | 191,384 | 223,384 | 331,484 | 448,634 | 567,834 |
| Qualified Expenditures | | | | | |
| Equipment | 3,000 | | | | |
| Land & Buildings | 114,000 | 45,000 | 41,000 | 44,000 | 48,000 |
| FACE Plan Update | 100 | 100 | 100 | 100 | 100 |
| Total expenditures | 117,100 | 45,100 | 41,100 | 44,100 | 48,100 |
| Fund Balance, end of year | 74,284 | 178,284 | 290,384 | 404,534 | 519,734 |

2005-2006 Fiscal Year

**Loomis Fire Protection District
Asset List**

| <u>Equipment:</u> | <u>Capacity</u> | <u>Year Mfg.</u> | <u>Replacement Cost</u> |
|-----------------------------|-----------------|------------------|-------------------------|
| 1) Hi-Tech Type I Pumper | | 2004 | \$450,000 |
| 2) Spartan Type I Pumper | | 1993 | \$370,000 |
| 3) Ford Type I Pumper * | | 1985 | \$ 50,000 |
| 4) International Brush Unit | | 1997 | \$250,000 |
| 5) Ford Grass Unit-F-550 | | 1999 | \$ 90,000 |
| 6) Command Vehicle | | 2001 | \$ 45,000 |
| 7) Staff Sedan * | | 1989 | \$ 25,000 |
| 8) Parade Truck | | 1945 | \$?-Antique |

- * Denotes non-mitigation funded Asset. Donation from Sacramento Metro Fire.

| <u>Facilities</u> | <u>Year Built</u> | <u>Replacement Cost</u> |
|--|-------------------|-------------------------|
| 1) Station One Facility Cinder Block Bldg. | 1950 | \$500,000 |
| 2) Station Two Facility Pre-Fab Steel Bldg. | 1978 | \$500,000 |
| 3) Station One Resident Qtrs. Wood Framed House | 1950 | \$200,000 |
| 4) Administrative Office Wood Framed House | * 1940 | \$200,000 |

- * Denotes non-mitigation funded Asset. Donation from previous property owner.



Economic &
Planning Systems

Public Finance
Real Estate Economics
Regional Economics
Land Use Policy

APPENDIX A:

- Figure A-1 Calculation of Ten-Year CIP Issuance Costs
- Figure A-2 Calculation of Ten-Year CIP Interest Costs
- Figure A-3 Value of Present District Assets

Figure A-1
Loomis Fire Protection District Fee Nexus Study
Calculation of Ten Year CIP Issuance Costs

| Item | Assumption | Amount |
|---|------------|--------------------|
| Ten Year CIP Capital Cost | | |
| Facilities Cost | Figure 2 | \$1,340,000 |
| Equipment Cost | Figure 2 | \$300,000 |
| Total Capital Cost | | \$1,640,000 |
| Issuance Cost | | |
| Reserve Fund Requirement [1] | 10% | \$185,000 |
| Issuance Cost [1] | 3% | \$56,000 |
| Rounding Adjustment | | (\$27,800) |
| Total Issuance Cost | | \$213,200 |
| Total Capital and Issuance Costs | | \$1,853,200 |

"Issuance cost"

[1] The reserve fund requirement and issuance cost estimates are percentages of the total capital and initial financing cost.

Figure A-2
Loomis Fire Protection District Fee Nexus Study
Calculation of Ten Year CIP Interest Costs

| Year Number | Calendar Year | Principal Amount | Interest Amount | Less Reserve Fund Payment <i>(see Figure a-1) [1]</i> | Total Debt Service Payment [2] |
|--------------|---------------|--------------------|------------------|--|-----------------------------------|
| 1 | 2004 | \$143,934 | \$101,926 | \$0 | \$245,860 |
| 2 | 2005 | \$151,850 | \$94,010 | \$0 | \$245,860 |
| 3 | 2006 | \$160,202 | \$85,658 | \$0 | \$245,860 |
| 4 | 2007 | \$169,013 | \$76,847 | \$0 | \$245,860 |
| 5 | 2008 | \$178,309 | \$67,551 | \$0 | \$245,860 |
| 6 | 2009 | \$188,116 | \$57,744 | \$0 | \$245,860 |
| 7 | 2010 | \$198,462 | \$47,398 | \$0 | \$245,860 |
| 8 | 2011 | \$209,378 | \$36,482 | \$0 | \$245,860 |
| 9 | 2012 | \$220,893 | \$24,966 | \$0 | \$245,860 |
| 10 | 2013 | \$233,043 | \$12,817 | (\$185,000) | \$60,860 |
| Total | | \$1,853,200 | \$605,399 | (\$185,000) | \$2,273,599 |

"interest cost"

[1] The reserve fund amount is used to reduced the payment in the Year 10.

[2] Based on the following assumptions:

Interest Rate 5.50%
 COP Term 10 years

Figure A-3
Loomis Fire Protection District Fee Nexus Study
Value of Present District Assets (2003\$)

| Item | Station Size (sqft) | Estimated Replacement Cost Per Sqft | Estimated Replacement Value | 2003 Value |
|--|---------------------|-------------------------------------|-----------------------------|--------------------|
| Buildings | | | | |
| Station #1 - Horseshoe Bar Road | 1,800 | \$260 | \$468,000 | \$468,000 |
| Station #2 - Horseshoe Bar & Tudsbury Rds. | 2,000 | \$260 | \$520,000 | \$520,000 |
| Subtotal Buildings | | | | \$988,000 |
| Equipment (Rolling Stock) | n/a | n/a | n/a | \$1,178,696 |
| Total Value of Present Assets | | | | \$2,166,696 |

"assets"

Source: For building valuation, EPS used replacement cost. The estimate is the same per square foot cost as provided by the District in the expansion for Station #1 (refer to Figure 2). The equipment valuation is based on the District's insurance information.