



MEMORANDUM
COUNTY EXECUTIVE OFFICE
Administration
County of Placer

TO: Board of Supervisors

DATE: February 26, 2019

FROM: Todd Leopold, County Executive Officer
By: Michele Kingsbury, Principal Management Analyst

SUBJECT: Annual Price Index Adjustment for the Placer County Fire Facilities Impact Fee

ACTION REQUESTED

Adopt a Resolution approving the construction cost index increase of 1.87% for the Placer County Fire Facility Fee.

BACKGROUND

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

Legal Authority/Guidelines

California Government Code 66000 et seq (CGC 66000) provides the authority and conditions by which local agencies may collect fees from new development to offset the impact of that new development on local services such as fire protection. Placer County retained the services of Goodwin Consulting Group, to produce the Placer County Fire Facilities Impact Fee Study and Capital Improvement Plan (Study). The Study addressed all legal requirements as established in CGC 66000-08 which was last adopted by your Board on February 20, 2018. The Study noted that the fire fees may be adjusted in the future by the average percentage increase, if any, in the 20-City Construction Cost Index and the San Francisco Construction Cost Index as report in the Engineering News Record for the twelve-month period ending December of the prior year.

The San Francisco Construction Cost Index for the 12-month period ending December 2018 was 0.84%. The 20-City Construction Cost Index as reported in the Engineering News Record was 2.90%. Therefore, the average of the two indexes was determined to be 1.87%. The table below depicts the current fees and the proposed fee as adjusted by the CCI.

Table with 3 columns: Mitigation Fees, Current, Recommended. Rows include Residential, Non-residential, and Non-Comm Ag Buildings with their respective current and recommended fees per square foot.

FISCAL IMPACT

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

ATTACHMENTS

Resolution

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

In the matter of:

A Resolution approving the construction cost increase
of 1.87% for Placer County Fire Facility Fee

Resolution No.: _____

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____, by the following vote on roll call:

Ayes:

Noes:

Signe Absent:

Chair, Board of Supervisors

Attest:

Clerk of said Board

BE IT RESOLVED, by the Board of Supervisors, County of Placer, State of California, that the Board of Supervisors of the County of Placer approves a construction cost increase of 1.87% for the Placer County Fire Facility Fee, adjusting the fees to \$0.60 per square foot for residential uses, \$0.35 per square foot of non-residential uses, and \$0.13 per square foot for non-commercial agricultural buildings. This fee shall be effective upon adoption of the Board.