



MEMORANDUM
COUNTY EXECUTIVE OFFICE
ADMINISTRATION
County of Placer

TO: Honorable Board of Supervisors
FROM: Todd Leopold, County Executive Officer
By: David Defanti, Deputy County Executive Officer

DATE: May 11, 2021

SUBJECT: 2021 Annual Adjustment of Fire Facilities Impact Fee

ACTION REQUESTED

Adopt a resolution for the Placer County Fire Facilities Impact Fee to affirm usage of the average of the change in the San Francisco Construction Cost Index (CCI) and the 20-City Average CCI as reported in the Engineering News-Record (ENR) as the basis for annual adjustment, and to approve an annual adjustment for the 2021/2022 fiscal year.

BACKGROUND

The Placer County Fire Facilities Impact Fee is a fee for fire protection and emergency medical services for a 475 square mile area in the central and western portions of unincorporated Placer County not covered by an independent Fire Protection district. The fee provides 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. On February 20, 2018, the Board adopted Resolution 2018-023. The resolution approved the Placer County Fire Facilities Impact Fee Study and Capital Improvement Plan and also set the amount of the fee on an annual basis.

The 2018 study delineates updated fees based on current projections of growth and the corresponding facilities and apparatus needed to meet increasing fire service demands. The study also identifies an annual cost escalator for the fee. The escalator, as noted in the study, is the average of the San Francisco Construction Cost Index (CCI) and the 20-City Average CCI as reported in the Engineering News-Record (ENR). The annual cost escalator has been applied to the Placer County Fire Facilities Impact Fee on an annual basis since 2018.

Staff requests the Board adopt a resolution affirming the usage of the average of the change in the San Francisco CCI and the 20-City Average CCI as the basis for adjustment. The resolution also approves the annual proposed increase for this year, which is 3.2 percent based on the April 2020 to April 2021 timeframe as reported in ENR.

ENVIRONMENTAL IMPACT

The aforementioned fee is exempt from CEQA pursuant to CEQA Guidelines 15273, 15378(b)(4) and (5) and 15061(b)(3) since the annual increase of fees is an administrative activity for funding of capital projects necessary to maintain service in existing service areas, and the fee increase does not have the potential for causing a significant effect on the environment.

FISCAL IMPACT

Adjusting the fee to current conditions will allow revenues to keep pace with the cost to construct improvements necessary to serve new development. If approved, the new fee will become effective 60 days following adoption or July 12, 2021.

ATTACHMENT

Attachment A: Resolution adjusting the Placer County Fire Facilities Impact Fee

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

In the matter of:

A Resolution affirming usage of the average of the change in the San Francisco Construction Cost Index (CCI) and the 20-City Average CCI as reported in the Engineering News-Record (ENR) as the basis for annual adjustment, and approving the construction cost increase of 3.2% 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 on _____, by the following vote:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chair, Board of Supervisors

Attest:

Clerk of said Board

WHEREAS Government Code § 66000 *et. seq.* allows local agencies to collect fees from new development to offset the impacts of that development on local services, and Placer County Code Chapter 15, Article 15.36, Section 15.36.010, titled "Development Fees" includes the legal framework for fire protection districts to collect fees for mitigating development impacts on services;

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

WHEREAS, on February 20, 2018, the Board approved the Placer County Fire Facilities Impact Fee Study and Capital Improvement Plan through adoption of Resolution No. 2018-023, and also approved the Placer County Fire Facilities Impact Fee (the "Fee"), subject to an annual cost escalator; and

WHEREAS, the Placer County Fire Department Facilities Impact Fee Study requires that the Fee shall be adjusted annually using the average of the change in the San Francisco Construction Cost Index (CCI) and 20-City Average CCI as reported in the Engineering News Record (ENR); and

WHEREAS, based on the average of the change from April 2020 to April 2021, of the San Francisco CCI and the 20-City Average CCI as reported in the ENR, the County has calculated said fee increase and concluded that the Placer County Fire Facilities Impact Fee will increase by 3.2 percent; and

WHEREAS, the County is required to provide, to all interested persons who file a request with the Clerk of the Board, a notice of the scheduled meeting not less than 14 days in advance of the meeting and said notice was provided; and

WHEREAS, the County is required to make and has made available to the public, data indicating the amount of the fee increase at least 10 days prior to the hearing; and

WHEREAS, the Board has held a public hearing on this matter on May 11, 2021.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF PLACER that the average of the change in the San Francisco region Construction Cost Index (CCI) and the 20-City Average CCI as reported in the Engineering News Record is approved for use as an annual cost escalator to be applied to the Placer County Fire Facilities Impact Fee.

BE IT FURTHER RESOLVED that the County of Placer approves a construction cost increase of 3.2% for the Placer County Fire Facilities Impact Fee, adjusting the fees to \$0.64 per square foot for residential uses, \$0.37 per square foot of commercial/industrial uses, and \$0.13 per square foot for agricultural development.

BE IT FURTHER RESOLVED that this resolution shall be effective on July 12, 2021.

