

PLACER COUNTY
OFFICE OF EMERGENCY SERVICES

MEMORANDUM

To: Honorable Board of Supervisors

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

Date: July 26, 2011

Subject: **Adopt a Resolution approving the Northstar Fire Department Capital Facilities Plan Update for Fiscal Year 2011-2012 which increases mitigation fees by 3.9%.**

ACTION REQUESTED

Adopt a Resolution approving the Northstar Fire Department Capital Facilities Plan Fiscal Year (FY) 2011-2012 update with a 3.9% increase in mitigation fees.

BACKGROUND

Legal Authority: Government Code 66000 *et seq* (GC 66000) allows local fire agencies (independent districts or departments) to *collect*, but not to *levy* fees to offset the impact of new development on local services. Legal authority to *levy* fees rests only with the Board of Supervisors, which in fact, has enabled independent fire agencies to collect mitigation fees through a legal framework it established in Placer County Code Chapter 15.36.010. However, per GC 66000, in order for a fire district to actually collect fees, it must first submit a Capital Facilities Plan for approval to the local governing body (your Board) and then, once approved, re-submit it annually for approval for as long as fees are in effect.

Capital Facilities Plans: The law requires a Capital Facilities Plan address: anticipated development impacts, proposed usage of fees, establishment of a reasonable relationship between fees and type of development, accounting for funds separately, holding properly noticed public hearings, and conducting an annual program review and update. The Placer County Office of Emergency Services has staff responsibility for review of all plans submitted and to ensure compliance with CGC 66000.

Northstar Community Service District/Fire Department Plan: For this update, the Board of Directors of the Northstar Community Services District (NCSD) increased mitigation fees by 3.9% based on the March 2010-March 2011 change in the *Engineering News Record* Construction Cost Index. This resulted in a mitigation fee change from \$0.90/ft² to \$0.94/ft². As required by CGC 66000, the Board of Directors of NCSD held a properly noticed public hearing on July 20, 2011 to review the plan which it subsequently adopted by Resolution 11-19 (attached). As in the past and in the absence of a local newspaper, a memo announcing the meeting was posted throughout the Northstar community at local offices and businesses.

FISCAL IMPACT

There is no impact to the General Fund as a result of this action.

Attachments

Resolution
Northstar Community Services District Resolution No. 11-19
Northstar Fire Department Capital Facilities Plan Update, Fiscal Year 2011-2012:
available for Public Review at the Office of the Clerk of the Board

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

In the matter of: **A RESOLUTION APPROVING
THE 2011-2012 NORTHSTAR FIRE
DEPARTMENT CAPITAL FACILITIES PLAN
UPDATE WHICH INCREASES FEES BY 3.9%**

Resol. No: _____

The following **RESOLUTION** was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held **July 26, 2011** 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 _____

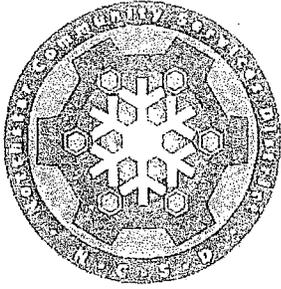
WHEREAS, California Government Code 66000 et seq (CGC 66000) allows local agencies to collect fees on new development to offset any impact on services, but fire districts in and of themselves do not have direct legal authority to levy fees, which is an authority of the Board of Supervisors; and

WHEREAS, The Board of Supervisors codified a legal framework specifically for fire districts and departments to collect mitigation fees in County Code Chapter 15.36.010; and

WHEREAS, in order to collect mitigation fees on new development, CGC 66000 requires a fire department prepare and present to the Board of Supervisors for its approval a prescribed format Capital Facilities Plan or annual update thereto; and

WHEREAS, the Northstar Fire Department updated its plan by increasing mitigation fees by 3.9% based on the change in the Engineering News Record Construction Cost Index, and upon review of the plan by the Northstar Community Services District Board of Directors at a public meeting on July 20, 2011, adopted it by Resolution #11-19.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Placer that the Northstar Fire Department Capital Facilities Plan Update for Fiscal Year 2011-2012 is hereby approved.



N.C.S.D

Northstar Community Services District
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Board of Directors
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MIKE MOHL
FRANK SEELIG

General Manager
MICHAEL STAUDENMAYER

BOARD OF DIRECTORS
NORTHSTAR COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 11-19

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORTHSTAR COMMUNITY SERVICES DISTRICT ADOPTING THE DISTRICT CAPITAL FIRE FACILITIES PLAN AND CAPITAL IMPROVEMENT PLAN, AND ESTABLISHING THE CAPITAL ASSETS MITIGATION FEE FOR THE 2011-2012 FISCAL YEAR

WHEREAS, the Board of Directors (the "Board") of the Northstar Community Services District (the "District") has previously adopted and periodically updated a Capital Improvement Plan in connection with fire protection purposes; and

WHEREAS, the Board has prepared an updated capital improvement plan (the "Updated CIP") in connection with fire protection purposes; and

WHEREAS, the Board has considered the adoption of the 2011 CIP for fire protection purposes; and

WHEREAS, the 2011 CIP supports the current "Mitigation Fee" in the amount of \$0.94 per square foot of new enclosed/habitable construction of over 500 square feet in size, including commercial, residential, miscellaneous buildings and garages; and

WHEREAS, Government Code Section 66002(b) requires that the Mitigation Fee and 2011 CIP be adopted only after a noticed public hearing; and

WHEREAS, the 2011 CIP was available for public inspection and review, and was presented during a public hearing after the requisite notice; and

WHEREAS, after the public hearing and upon due consideration of the 2011 CIP, it appears that new development within the Northstar area will adversely impact and degrade the level of fire protection services in the District unless the recommended Mitigation Fee continues and that the established Mitigation Fee at the current sum is necessary for new development to pay its proportionate share of fire protection services; and

WHEREAS, the 2011 CIP reflects the requisite relationship and recommends fees reasonably calculated not to exceed the cost of capital improvements or services required by such new development, in compliance with Government Code Section 66000 *et seq.*; and,

WHEREAS the area within the Northstar Community Facilities District No. 1 (the "CFD") is contributing substantial revenues and infrastructure to offset the impact of the CFD on the District's fire protection services, and so the CFD should be excluded from payment of the Mitigation Fee.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors that the District hereby approves and adopts the 2011 CIP with the current Mitigation Fee for all new construction in the District (but excluding areas within the CFD), as follows:

1. A Mitigation Fee equal to \$0.94 per square foot of new enclosed/habitable construction of over 500 square feet in size, including commercial, residential, miscellaneous buildings and garages, effective July 20, 2011.

2. The Mitigation Fee may be increased annually at the beginning of each fiscal year to reflect the current cost of the proposed capital facilities projects. The annual increase, if any, shall be established using the then most current *Engineering News-Record* Construction Cost Index.

3. Pursuant to Government Code Section 66002(b), the 2011 CIP shall be annually updated by resolution after a noticed public hearing.

4. The Board requests that the Placer County Board of Supervisors adopt and establish the Mitigation Fee set forth in Section 1.

5. The District shall be responsible for the proper accounting for and expenditure of the Mitigation Fee and further agrees to hold the County of Placer harmless from and defend it against any action, claim or damages related to the Mitigation Fee, including any challenge to the validity, implementation or use thereof.

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ADOPTED AND APPROVED by the Board of Directors of the Northstar Community Services District on July 20, 2011, by the following vote:

AYES: Green, Ives, Moll, Seelig

NOES: None

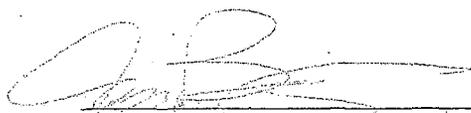
ABSTAIN: None

ABSENT: Evans



Nancy P. Ives
Vice President of the Board

Attest:



James Bowling
Secretary of the Board



NORTHSTAR FIRE DEPARTMENT
CAPITAL FACILITIES PLAN UPDATE

Fiscal Year 2011-2012

EXECUTIVE SUMMARY OF MITIGATION FEES FOR NORTHSTAR FIRE DEPARTMENT

Currently Northstar Fire Department collects mitigation fees within the District boundaries which lie within the unincorporated area of Placer County.

This report summarizes the need for a mitigation impact fee and is intended to serve as the Annual Capital Facilities Plan Update. The report will justify a potential increase to the mitigation fee amount by 3.9% based on the Engineering News Record Construction Cost Index (ENRCCI). The ENRCCI is recognized as the accepted index for mitigation fee adjustments based on the Fire Facilities Impact Fee Study dated March 4th 2009 provided by Willdan Financial Services. *It is the recommendation of the Fire Chief to increase the fee collected from (.90 cents) per square ft to a new fee of (.94 cents) per square ft.*

MITIGATION FEE HISTORY

Northern California communities in the Sierra Nevada Mountains region have experienced growth during the last several years. The growth is principally attributable to the resort industry responding to a higher demand of visitors. The Department must exercise fiscal prudence in preparing to provide fire protection services to a service area experiencing growth. It is a valid concern that new growth should not have a negative impact on current service levels. Data about staffing and inventory has been gathered to develop estimations of adequate staffing levels and capital inventory. This information has been used to develop a fair and equitable mitigation fund equation.

In order to guide the imposition of development impact fees, the State Legislature adopted the Mitigation Fee Act (the Act) with Assembly Bill 1600 in 1988. The Act is contained in California Government Code Section 66000 et seq. and establishes requirements for the imposition and administration of impact fee programs. The Act became law in January 1989 and requires local governments to document five findings for the impact fee to be adopted by the County of Placer on behalf of the Northstar Fire Department. The findings are as follows:

1. Identify the purpose of the fee.
2. Identify the use to which the fee is to be put.
3. Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.
4. Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.
5. Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility attributable to the development on which the fee is imposed.

In Fall 2002 the Northstar Community Services District Board of Directors commissioned a report to look at current service levels and future growth of the district. The result of that report was to impose

a mitigation fee on future development. On July 1 2003 the Northstar Community Services District Board of Directors approved an original mitigation fee in the amount of \$0.71 per square foot for new construction. The Placer County Board of Supervisors approved the mitigation fee. Over the years the 2002 original plan has seen changes that reflected the allowable increase based on the Consumer Price Index. The mitigation fee schedule was most recently updated in March of 2009, with an independent study performed by Willdan Financial Services. Based on the adoption of that report, a fee increase was established at \$0.90 per square foot. This Capital Facilities Plan update, required by Placer County, is consistent with the plan approved March 2009.

SERVICE AREA DESCRIPTION

The Northstar Fire Department serves the Northstar resort community located on the eastern slope of the Sierra Nevada mountain range, in unincorporated Placer County. In past years Placer County has been identified as one of the fastest growing counties in California. Although this past year has shown slowed development and growth, Northstar's residential and commercial development is projected to continue to grow for the immediate future. This proposed growth will significantly impact service levels. The growth affects Fire Department staffing, equipment, and facilities. The community is a classic Wildland/Urban Interface area, which adds responsibility and demands to both structural and wildland firefighting. If the District experiences multiple calls, its limited resources are severely taxed.

SUMMARY OF DEMOGRAPHIC TRENDS

For several years the County of Placer, including the area served by the Northstar Fire Department, has undergone sustained growth. Due to this growth the 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 an increase in firefighting infrastructure.

Traditional estimates of population and employment growth would not capture the growth trends in this resort community. As in most resort communities, population and employment fluctuates seasonally. In Northstar variations are even more frequent, where day-to-day population can differ from 250 to 10,000 depending on the seasonal recreation demand. Since this area continues to grow as a destination resort community in the Tahoe area, the day-to-day fluctuations will likely become more extreme. Consequently, and consistent with the Department's previous documentation, it was deemed reasonable to calculate the impact fees based on building square feet as a more predictable demand for service indicator than estimated daily service population.

Table 1 provides estimates of total building inventory within the Department's service area. It also shows projections of additional development in terms of constructed space by build-out. The most up-to-date development plans that have been provided to the Department have been used to estimate future building growth in square feet.

Table 1: Northstar Fire Service Area Development

	Residential	Hotel/Condo	Total
<u>Existing (2008)</u> ¹			4,024,977
<u>New Development (2009 – Build-Out)</u>			
Highlands	4,340,000	300,000	4,640,000
Remainder of Service Area	336,000	210,000	546,000
Total Square Feet at Build-Out			9,210,977

Note: All development shown in square feet of constructed space.

¹ Square feet of existing built space includes an unspecified mix of residential and nonresidential space.

Sources: Northstar Fire Department Capital Facilities Plan Update, Fiscal Year 2007-2008; Northstar Fire Department; Willdan Financial Services.

Development shown in Table 1 is split into two zones: the “Highlands” project area and the “Remainder of Service area” for the non-Highlands area. The projected new development from 2009 to build-out shown in Table 1 was calculated using Department staff estimates of residential units planned for the Highlands portion of the Department service area, as well as remaining residential lots available for development within the non-Highlands portion of the service area. The average size of projected new residential units is 3,500 square feet, based on the average size of units from recent impact fee collection rolls. Furthermore, a number of larger projects to be built were also added to the growth projection, including the Hyatt and Ritz Carlton “ski in and ski out” resort and hotel/condominium projects. These projects include a multi-story luxury hotel, lodges, pools, spas, and related resort and conference facilities.

Fire facilities in the Highlands portion of the Department service area are being funded through a Community Facilities District (also known as a CFD or Mello Roos district). Consequently new development occurring in the Highlands portion of the Department service area, and other portions of the service area covered by a CFD, will not be assessed the fire facilities impact fee. However, development projections of this area are necessary in order to appropriately calculate the value of fire protection facilities per square foot over the entire service area.

METHODOLOGY AND CALCULATION OF FEES

EXISTING FIRE FACILITIES

The Department’s existing fire protection facilities described in this section currently serve the entire Department service area. Tables 2 through 4 provide a detailed inventory of the Department’s stations, existing apparatus and special equipment. The estimated value of the Department’s inventory is based on unit cost assumptions. Unit costs reflected in Tables 2, 3, and 4 include the following:

Land cost per acre. Estimated cost per acre is based on market research conducted by Willdan Financial Services. The cost per acre for Highlands Station property is provided by the Department.

Buildings. Estimated site preparation and construction costs are provided by the Department.

Apparatus/Vehicles. Estimated replacement costs of apparatus, vehicles and equipment are provided by the Department.

Special Equipment. Estimated replacement costs are provided by the Department.

Table 2 highlights the Department's existing facilities. The Northstar Drive station currently serves the entire Department service area. Construction of the Highlands station was completed Spring 2009. The Highlands station, vehicles and equipment have been fully funded by the CFD and the developer. Renovation and expansion of the Northstar Drive station was completed (Fall 2008). The expansion and remodeling will accommodate projected station space needs through development build-out. This expansion and update has not been fully funded. Hence, for the purposes of this facilities analysis, the previously existing portion of the Northstar Drive station and the entirety of the Highlands station are included in the Department's inventory of existing stations.

The two stations are owned by the Department. The value of land for the Northstar Drive station is based on recent comparable land values from an Internet search of vacant lots within the Northstar Fire Department service area. The value of the land for the Highlands station was provided by the Department. The construction value of the Highlands station is based on construction contracts for that station. The estimated value per square foot of the existing Northstar Drive station is lower. It has also been discounted to reflect the corresponding estimated value of planned remodeling of the existing station. It is assumed that both stations will be available for response and automatic back-up for fires or other emergency situations occurring within the entire Department service area. Hence the two fire stations will function as part of a fire protection system for the entire service area. Total value for the existing fire stations is estimated at approximately \$17.0 million, displayed in Table 2.

Table 2: Northstar Fire Department Existing Fire Stations

	Amount	Unit Cost	Total Cost
<u>Northstar Drive Station</u>			
Building ¹	6,500 ft ²	\$350	\$2,281,500
Land	1.00 acre	1,269,000	1,269,000
Subtotal			\$3,550,500
<u>Highlands Station²</u>			
Building ³	10,000 ft ²	\$620	\$6,200,000
Civil Work ⁴			2,043,000
Land ⁵	.77 acre	6,494,000	5,000,000
Subtotal			\$13,243,000
Total Existing Stations			\$16,793,500

¹ Cost per square foot for the Northstar Drive station is an estimated \$425 per square foot adjusted downward for necessary remodeling. The estimate is based on the total station construction and remodeling cost of \$2,093,000 for Northstar Drive station. New construction cost estimate of \$425 per square foot minus remodel costs of \$74 per square foot yields existing replacement value estimate of \$351 per square foot prior to remodeling.

² Station has been completed and is fully funded.

³ Unit costs are higher than estimated building costs for the Northstar Drive station and are based on actual construction costs for the Highlands station.

⁴ Includes site preparation, grading, excavation, very large retaining wall, geotechnical work, sewer and water provisions to site.

⁵ Land value for Highlands Station used in this analysis is the amount paid by the Department, parcel appraisal provided to District by Brown, Chudleigh, Schuler, Donaldson and Associates. Total cost rounded to the nearest thousand.

Sources: Appraisal of Proposed Highlands Firehouse Parcel by Brown, Chudleigh, Schuler, Donaldson and Associates; Northstar Fire Department; Willdan Financial Services.

Table 3 illustrates the inventory and estimated value of existing apparatus (engines) and vehicle cost estimates, including the fire fighting, emergency medical, and communications equipment needed to stock each vehicle. Replacement costs were supplied by the Department. For each engine where equipment costs could be separately listed, a value for equipment on each engine is provided.

Apparatus and other vehicle values have been adjusted to reflect depreciation. Apparatus are listed at estimated depreciated values of replacement cost due to the existence of a viable secondary market for fire engines.

Table 3: Existing Apparatus, Vehicles and Equipment Inventory and Valuations

<u>Apparatus/Vehicle Type & Make</u>	<u>Unit ID #</u>	<u>Apparatus or Vehicle Value¹</u>	<u>Equipment²</u>	<u>Total</u>
<u>Northstar Drive, Station 31</u>				
Type I Engines				
1990 E-One	Engine 31-2	\$112,500	\$63,700	\$176,200
2002 Hi-Tech	Engine 31	337,500	165,300	502,800
Subtotal, Type I Engines		450,000	229,000	679,000
Type III Engines				
2001 International	Brush 31	225,000	44,600	269,600
Subtotal, Type III Engines		225,000	44,600	269,600
Rescue				
1991 Chevy	Rescue 31	10,000	25,400	35,400
Subtotal, Rescue		10,000	25,400	35,400
Other Vehicles				
2000 Snowmobile		6,750	-	6,750
2000 Snowmobile		6,750	-	6,750
1999 Snow Removal Loader		93,750	-	93,750
2004 Toyota		30,000	6,000	36,000
1999 Ford Explorer		26,250	8,000	34,250
2006 Chevy Tahoe		35,000	9,000	44,000
2008 Sutphen Aerial Truck	Truck 31	1,000,000	61,300	1,061,300
Subtotal, Other Vehicles		\$1,198,500	\$84,300	\$1,282,800
Total - Station 31				\$2,266,800
<u>Highlands Station 32</u>				
Type I Engines				
2009 Hi-Tech Spartan	Engine 32	\$480,200	\$85,000	\$565,200
Subtotal, Type I Engines		\$480,200	\$85,000	\$565,200
Other Vehicles				
Snow Blowers		133,400		133,400
Utility Pickup Truck		53,400		53,400
Subtotal, Other Vehicles		\$186,800		\$186,800
Total - Station 32				\$752,000
Total, All Vehicles & Equipment				\$3,018,800

¹ Apparatus and vehicle values have been adjusted to reflect depreciation. Vehicles newer than five years are valued at 100% of replacement cost; six to ten years old are valued at 75% of replacement cost; eleven to fifteen years are valued at 50% of replacement cost; sixteen to twenty years are valued at 25% of replacement cost, and older than twenty years are valued at 0% of replacement cost.

² Value based on estimated current replacement value.

Sources: Northstar Fire Department; Willdan Financial Services.

Table 4 provides the inventory of special protective gear, general station equipment, and other miscellaneous equipment shared by all stations. The Department provided replacement cost estimates for these items. For station equipment, a replacement cost estimate was given for the entire equipment inventory of the Northstar Drive Station. General station equipment includes items such as extra hose and nozzles (not carried on engines), breathing apparatus, hand held radio equipment, defibrillator, and miscellaneous hand tools. The total value of all fire protection and station equipment for the Highlands Station has been estimated at approximately \$268,400.

Table 4: Northstar Fire Department Equipment Inventory

	<u>Units</u>	<u>Value/Unit</u>	<u>Total Cost</u>
<u>Northstar Drive Station</u>			
Firefighter Structural Gear	15	\$2,000	\$30,000
Firefighter Wildfire Gear	15	333	5,000
General Station Equipment			84,400
Station Shop Equipment			3,700
Subtotal, Station 31			\$123,100
<u>Highlands Station</u>			
General Station Equipment			161,100
Station Shop Equipment			7,300
Rescue Respiratory Equipment			100,000
Subtotal, Station 32			\$268,400
Total, Equipment Inventory			\$391,500

Note: All values based on current replacement value.

¹ Based on budgeted and funded allocation for equipment of Highlands fire station.

Sources: Northstar Fire Department; Willdan Financial Services.

Table 5 displays the sum of the estimated value of the Department's existing fire facilities, as described in Tables 2, 3, and 4. The Department currently owns the equivalent of roughly \$20.2 million in fire protection facilities, apparatus and equipment to meet the needs of its existing service area

Table 5: Estimated Total Value of Department Inventory

	<u>Value</u>
Stations	\$16,793,500
Apparatus	3,018,800
Other Equipment	391,500
Total	\$20,203,800

Sources tables 2, 3, and 4; Willdan Financial Services.

PLANNED FIRE FACILITIES

Planning for future fire facilities necessary to accommodate total service area development to build-out is reflected in this analysis. The Department determined that the expansion of the existing Northstar Drive station and the addition of one additional engine would be sufficient to maintain adequate response times to accommodate projected new development through build-out.

Table 6 shows the planned fire protection facilities, the cost assumptions for the station renovations, and expansion. The building construction cost estimate is based on the recent construction bid for the proposed expansion and remodel. As noted earlier in the report, construction of the Highlands station has been completed and the station has been fully funded. Consequently for the purposes of this impact fee analysis the Highlands Station has been included in the Department's existing inventory (see Table 2).

Table 6: Northstar Fire Department Planned Fire Facilities

	Amount	Unit Cost	Total Cost
<u>Northstar Drive Station</u>			
Expansion	3,800 ft ²	\$425	\$1,615,000
Remodel ^{1 & 2}	6,500 ft ²	74	478,000
Subtotal, Expansion & Remodeling Costs			\$2,093,000
Site Work ¹			795,800
Total Cost, Northstar Drive Station			\$2,888,800
Total New Facilities			\$2,888,800

¹Based on construction and site cost estimates for Northstar Drive Station.

²Remodel cost per square foot estimate of approximately \$74 based on remainder of project cost assuming \$425 per square foot for the 3,800 square feet of new construction. Total remodeling cost does not reflect rounding.

Sources: Northstar Fire Department; Willdan Financial Services.

FACILITIES COST ALLOCATION

The fire facilities impact fees calculated in this report are based on a system plan cost standard and cost allocation approach. The system plan approach assumes that all existing and projected new development throughout the Department service area will benefit from the existing investment in fire protection facilities and the planned investment in new fire protection facilities.

VALUE PER SQUARE FOOT CALCULATIONS

Table 7 shows the calculation of the value of fire facilities per square foot. The overall investment per square foot incorporates all existing and projected new development through anticipated development build-out, and all existing and planned facilities designed to serve that development. Using this per square foot value of \$2.51, as shown in Table 7, as a basis for the impact fee assures an equitable distribution of total system costs between existing and new development. The facility value per square foot of \$2.51 is the maximum justified fire facilities fee.

Table 7: Fire Facilities Value, per Square Foot (Ft²)

	Value
Existing Fire Facilities	\$20,203,800
Planned Fire Facilities	2,888,800
Total Fire Facilities, Value [A]	\$23,092,600
Projected Total Development (ft ²) by Build-Out [B]	9,210,977
Fire Facilities value per ft ² [C=A/B]	\$2.51

Sources: Tables 1, 6, and 7; Willdan Financial Services.

PROJECTED IMPACT FEE REVENUE

Table 8 details the portion of planned facility costs that can be collected from the imposition of the suggested fee per square foot on projected new development in the portions of the Department service area not covered by a CFD. The fee revenue will not cover all projected planned new

facilities costs. The Department has an existing impact fee fund balance of approximately \$1.0 million which it plans to use towards the cost of the Northstar Drive Station. As shown in Table 8, approximately \$498,300 in non-fee revenue will be required to fund the cost of planned fire facilities if the maximum justified fee amount of \$2.51 per square foot is implemented. Non-fee revenues are needed because the per square foot value, which is used as the standard by which fire protection facilities are measured in this analysis, is projected to increase by build-out. If development impact fees were calculated such that they paid for the entirety of the planned facilities, new development would pay more than its fair share. Since the planned facilities will serve both existing and new development, new development should only pay for the share of the planned facilities that will serve new development. The remaining amount shown to be funded with non-impact fee revenue represents existing development's fair share of facility costs that also reflects the effective increase in the facility standard as measured in terms of value of fire protection facilities per square foot of development

Table 8: Projected Impact Fee Revenue

Total Cost of Planned Facilities [A]	\$2,888,800
Facilities Value per Square Foot [B]	2.51
Growth in Square Feet within (2009-Build-Out) [C] ¹	546,000
Total Projected Fire Facilities Impact Fee Revenue [D = B x C]	\$1,370,460
Existing Impact Fee Fund Balance [E]	1,020,040
Non-Impact Fee Revenue Needed [A- D- E]	\$498,300

¹ There are 107 residential units left to build in the non-CFD area. In the last year, 11 building permits have been issued. This study assumes that 96 residential units plus hotel/condominium space and no additional non-residential space will be developed in the non-Highlands portion of the Northstar Fire Department service area.

Sources: Tables 1, 5 and 6, Northstar Fire Department; Willdan Financial Services.

FEE SCHEDULE

Table 9 shows the suggested fire facilities impact fees for new development in the Northstar Fire Department service area based on the facilities cost per square foot shown in Table 8. The fees do not include any charge for any of the Department's other (non-fee related) administrative costs. Because of the unusual occupancy and vacancy patterns associated with the resort community characteristics of the Northstar Fire Department service area, fees in this analysis were calculated based on total square feet of constructed space with no distinction between residential and nonresidential land uses. Additionally, fire facilities in all of the Highlands portion of the Department service area and a portion of the rest of the service area are being funded through a Mello-Roos Community Facilities District (CFD). Fire facilities impact fees will only be assessed in the remaining portions of the Department service area not covered by a Community Facilities District.

Table 9: Fire Facilities Impact Fee

Land Use	Costs per Ft ²
Residential	\$2.51
Non-Residential	\$2.51

Sources: Table 7; Willdan Financial Services.

**ENGINEERING NEWS RECORD CONSTRUCTION COST INDEX HISTORY
(2003-2011)**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Average
2003	6581	6640	6627	6635	6642	6694	6695	6733	6741	6771	6794	6782	6694
2004	6825	6862	6957	7017	7065	7109	7126	7188	7298	7314	7312	7308	7115
2005	7297	7298	7309	7355	7398	7415	7422	7479	7540r	7563	7630	7647	7446
2006	7660	7689	7692	7695	7691	7700	7721	7722	7763	7883	7911	7888	7751
2007	7880	7880	7856	7865	7942	7939	7959	8007	8050	8045	8092	8089	7966
2008	8090	8094	8109	8112*	8141	8185	8293	8362	8557	8623	8602	8551	8310
2009	8549	8533	8534	8528	8574	8578	8566	8564	8586	8596	8592	8641	8570
2010	8660	8672	<u>8671</u>	8677	8761	8805	8865	8858	8836	8921	8951	8952	8802
2011	8938	8998	<u>9011</u>	9027	9035	9053	9080						

Formula for mitigation fee increase: The formula that determines our potential increase in mitigation fees is based on the *Engineering News Record* Construction Cost Index. For this study we are utilizing March, 2010 (8671), when the last Mitigation fee study was approved, to March, 2011 (9011). The increase in construction costs between March, 2010 and March, 2011 is 340 - a 3.9% increase (340/8671). A 3.9% increase to our existing mitigation fee of \$.90 per square foot (ft²) equals \$.035, or \$.04 increase per ft², making the proposed new mitigation fee \$0.94 per ft².

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Northstar Fire Department Mitigation Fee Revenue and Expenditure Summary Calendar Years 2003 to 2009							
	2003	2004	2005	2006	2007	2008	2009
Revenue	\$	\$293,164	\$65,585.66	\$646,965.69	\$8,011.16	\$10,706.85	\$4,114.11
Loan from General Fund						1,868,760	
Expenditures			(\$49,940.58)	(\$65,072.16)	(\$1,444,400)	(\$1,444,400)	(\$4,114.11)

For 2009 the \$4,114.11 collected in mitigation fees was used to repay the General Fund loan that was taken to complete the fire station expansion. Future mitigation fee revenue will be utilized to repay the loan from the General Fund.

For fiscal year 2010/2011 \$16,489.80 was collected in mitigation fees. Fees collected were used to repay the General Fund loan that was taken to complete the fire station expansion.

Northstar Fire Department Mitigation Fee Revenue and Expenditure Summary (Projections) Calendar Years 2010 to 2015			
	2010	2011	2011-30
Revenue	\$16,489	\$23,400	\$444,600
Expenditures – Pay back loan to General Fund	(\$16,489)	(\$23,400)	(\$444,600)

*See attached Capital Improvement Plan.

HEMLOCK FIRE DEPARTMENT

CAPITAL FACILITIES PLAN

Northstar Drive Station

Project Description

Expansion and renovation of the Northstar Drive Fire Station was completed in 2008. Approximately 3,800 square feet were added to the station and the existing 6,500 square feet was renovated. The total project cost was just under \$2.9 million.

Project Strategic Goal

This station was renovated and expanded to insure that space for adequate staffing levels is maintained as residential and commercial development continues within the Fire Department's service area.

Associated Master Plan:

Location: Northstar, CA

Advisory Commission:

Capital Cost Schedule

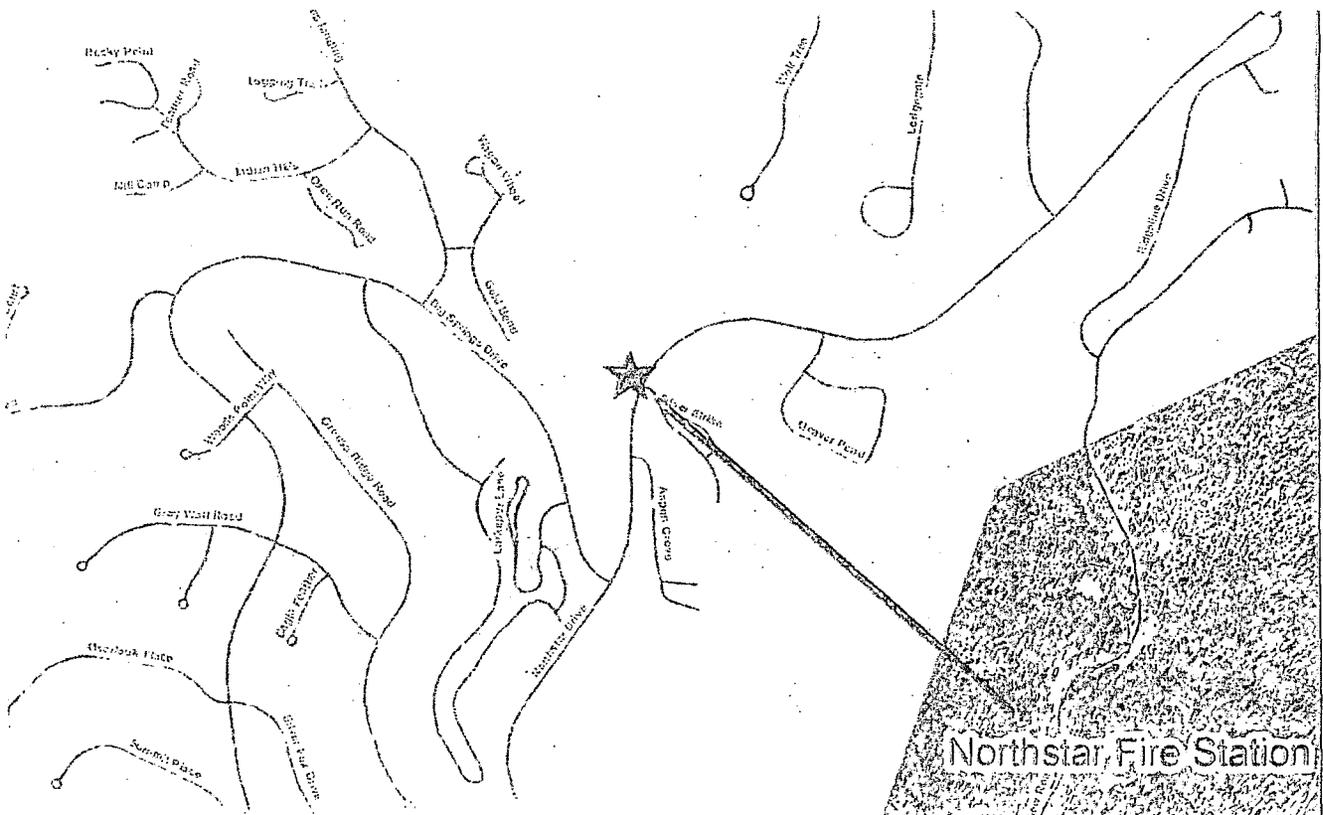
	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY's 11-30	Total
A&E and Other Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land Acquisition/Site Preparation	-	-	-	-	-	-
Construction	1,444,400	1,444,400	-	-	-	2,888,800
Project Admin, Mgmt & Bidding	-	-	-	-	-	-
Furnishings & Equipment	-	-	-	-	-	-
	<u>\$ 1,444,400</u>	<u>\$ 1,444,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,888,800</u>

Funding Sources:

	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY's 11-30	Total
Developer Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CFD	-	-	-	-	-	-
General Fund ¹	-	1,868,760	(23,400)	(16,489)	(444,600)	1,384,271
Impact Fee Revenue ²	1,020,040	-	23,400	16,489	444,600	1,504,529
	<u>\$ 1,020,040</u>	<u>\$ 1,868,760</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,888,800</u>

¹ General Fund revenue used to pay remainder of Station costs in 2008-09 (\$1,868,760). \$491,400 to be repaid to GF from fees.

² Reflects assumed adoption of fee at \$0.90 per square foot. Fee amount to be adjusted annually for increases due to inflation.



NORTHSTAR FIRE DEPARTMENT

CAPITAL FACILITIES PLAN

Highlands View Fire Station

Project Description

The Department built a new station, the Highlands Fire Station, located in the southern region of the Department service area. This new station is 10,000 square feet. It cost a total of \$14,263,400, including land and civil work, furnishings and equipment. The fire station was completed in the Spring of 2009. Funding was provided by a Mallo Roos Community Financing District (CFD). The CFD also funded a fire engine and other vehicles and equipment for the station.

Project Strategic Goal

This second station was built at mid-mountain to insure current response times are maintained as residential and commercial development continues within the Fire Department's service area.

Associated Master Plan:

Location: Northstar, CA

Advisory Commission:

Capital Cost Schedule

	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY's 11-30	Total
A&E and Other Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land Acquisition/Site Preparation	5,000,000	-	-	-	-	5,000,000
Construction	-	8,243,000	-	-	-	8,243,000
Project Admin, Mgmt & Bidding	-	-	-	-	-	-
Furnishings & Equipment	510,200	510,200	-	-	-	1,020,400
Total	\$ 5,510,200	\$ 8,753,200	\$ -	\$ -	\$ -	\$ 14,263,400

Funding Sources:

	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY's 11-30	Total
Developer Contributions	\$ -	\$ -	\$ -	hn	\$ -	\$ -
CFD	5,510,200	8,753,200	-	-	-	14,263,400
General Fund	-	-	-	-	-	-
Impact Fee Revenue	-	-	-	-	-	-
Total	\$ 5,510,200	\$ 8,753,200	\$ -	\$ -	\$ -	\$ 14,263,400

