

**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 by Resolution the Squaw Valley Fire Department 2011 Capital Facilities Plan Update which maintains all existing fees unchanged

ACTION REQUESTED

That your Board adopt a resolution approving the Squaw Valley Fire Department 2011 Capital Facilities Plan Update which maintains all existing fees unchanged.

BACKGROUND

California Government Code 66000 *et seq* (CGC 66000) allows local agencies, including fire departments and fire protection districts, to *collect* mitigation fees to offset the impact of new development on the provision of services by those agencies. Legal authority to *levy* fees, however, rests with the Board of Supervisors, and in order to facilitate collection, the Board created a legal framework codified in County Code Chapter 15.36.010.

Capital Facilities Plans

A stipulation of CGC 66000 is that fire departments/districts must prepare a Capital Facilities Plan on which to base and lay out its fee structure and either subject it to annual renewal by the Board of Supervisors or submit a completely new plan. In completing a Capital Facilities Plan, the law requires the fire department consider and address: potential development impacts, use of fees, establishment of a reasonable relationship between the fees and the type of development, separate accounting of funds, holding properly noticed public hearings, and conducting an annual plan review and update.

Squaw Valley Fire Department 2011 Capital Facilities Plan Update

The Board of Directors of the Squaw Valley Public Service District (District) held a publicly noticed hearing on June 28, 2011 to review the Fire Department Capital Facilities Plan. Upon its unanimous approval, the decision was documented in Resolution 2011-17 (attached). The plan maintains the existing mitigation fee structure, shown below, which was originally approved by your Board on March 20, 2001.

Mitigation Fee Structure	
Residences, condominiums and hotels	\$500/bedroom
Any commercial occupancy	\$1050/1,000 ft ²

FISCAL IMPACT

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

Attachments

Resolution
Squaw Valley Fire Department 2011 Capital Facilities Plan Update - on file for public review with Clerk of the Board

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

In the matter of: **A RESOLUTION APPROVING
THE SQUAW VALLEY FIRE DEPARTMENT
2011 CAPITAL FACILITIES PLAN UPDATE**

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

WHEREAS, in order to collect mitigation fees on new development, GC 66000 requires fire entities submit either a new Capital Facilities Plan or an update to an exiting plan to the Board of Supervisors that meets all statutory requirements in delineating and supporting a fee schedule; and

WHEREAS, the Squaw Valley Public Service District Board of Directors held a public hearing on June 28, 2011 to review and update the Fire Department's 2010 plan, and subsequently adopted it and its original fee structure without change by passing Board of Directors Resolution 2011-17; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Placer that the Squaw Valley Fire Department 2011 Capital Facilities Plan update is hereby approved.

SQUAW VALLEY FIRE DEPARTMENT

Capital Facilities Plan Update

Executive Summary

The Squaw Valley Fire Department Capital Facilities Plan was created as part of the 1983 Squaw Valley General Plan. Under the Plan, facilities needed to address the impacts of future development are identified, the costs estimated and fees established to fund their construction or acquisition.

The last revision to the Plan was in 2001. At that time, the existing fire mitigation fee structure (which had been in place since 1991) was determined to be inadequate. An addition to the existing fire station at 1810 Squaw Valley Road was proposed, as well as a second, smaller fire station closer to the entrance of Squaw Valley and several pieces of apparatus. The shortfall between the anticipated costs of these improvements and the funding generated under the old fee structure necessitated an increase in the "per bedroom" fee for residences, condominiums and hotels from \$160 per bedroom to \$500 per bedroom and the fee for retail and commercial floor area from \$350 per thousand square feet to \$1050 per thousand square feet. These fees were squarely in the mainstream of the fire mitigation fees charged elsewhere in Placer County.

It was noted at that time that historical response statistics demonstrated a clear, nearly linear relationship between development within the Valley and the number of emergency responses provided by Squaw Valley Fire Department. Further, it was stated that the proportionate relationship between the residential and commercial fees was well accepted by the community and developers. The accuracy of those statements has been validated over the past six years.

No changes to the fee structure are proposed. Although the facilities and apparatus constructed under the Plan are different than those contemplated in the Plan, funding for the facilities and equipment proposed by the Plan has been adequate and is anticipated to remain so.

The service area of Squaw Valley Fire Department continues to experience some growth, although the pace has diminished dramatically with the economic downturn and diminished activity in the mortgage market. Minor infill is taking place on previously undeveloped lots as well as demolition of older (mostly 1950's and 60's) homes and replacement with new – and typically much larger – homes.

The completion of Phases I and II of the Village at Squaw Valley and the resulting increase in conveniently located retail, dining and service businesses as well as activities, events and entertainment makes Squaw Valley a more complete and attractive community for both residents and visitors than ever before.

The increasing population of full-time residents and overnight guests as well as day visitors has driven strong increases in call volume during the last decade. The Department responded to increasing demand for emergency services by increasing both minimum staffing and service levels. At the time of adoption of the 2001 Capital Facilities Plan, the Department had minimum staffing of three and provided Basic Life Support (Emergency Medical Technician level)

emergency medical services). Today, the Department has minimum staffing of four and offers Advanced Life Support (Paramedic level) emergency medical services. These advancements bring Squaw Valley Fire Department to the nationally recognized standard for engine company staffing and allow us to provide the highest level of emergency medical services available to any community in the United States.

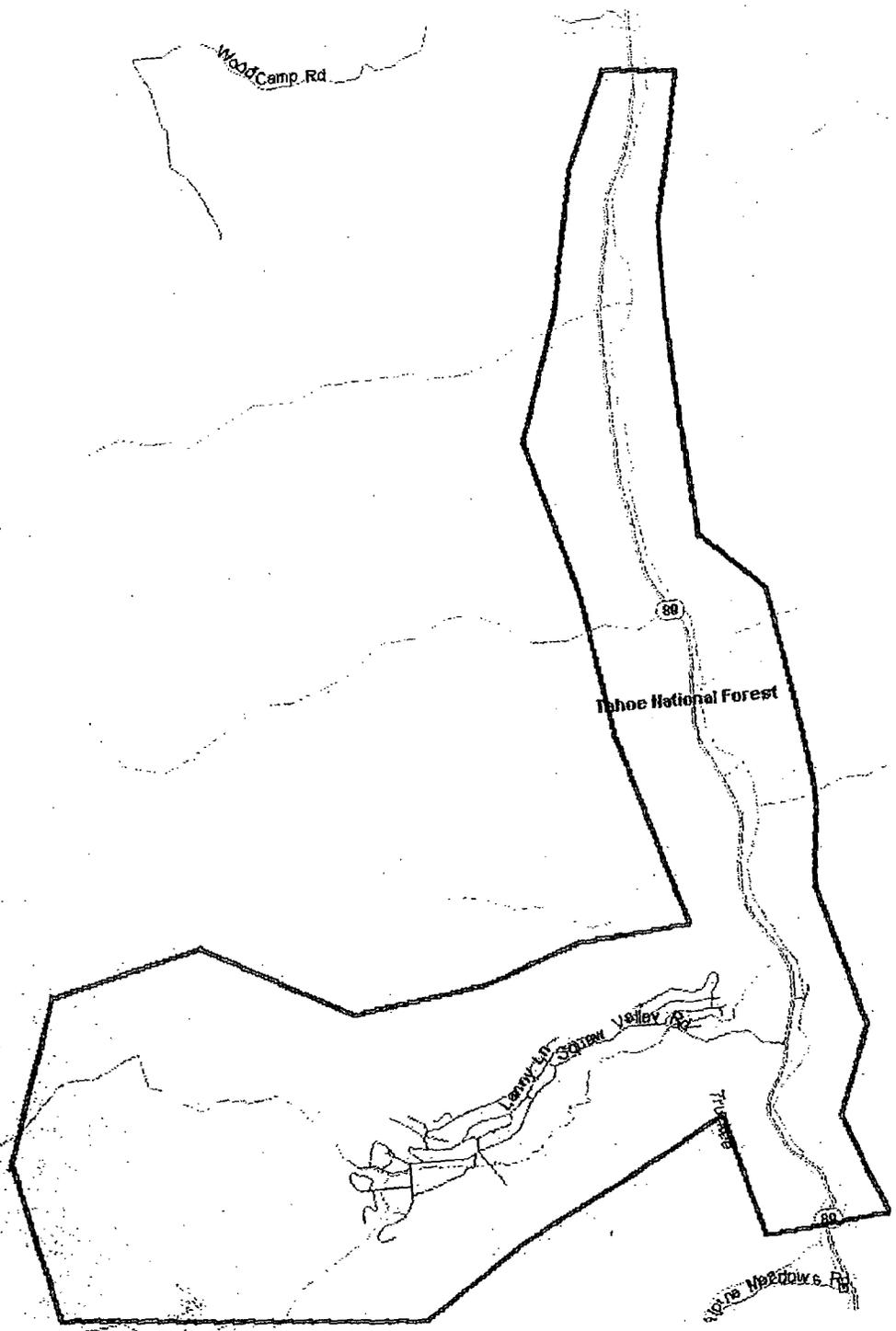
These advancements in the level of service provided to our community have been made at no increase in cost to the taxpayer – Squaw Valley Fire Department has never collected a benefit assessment even though more than a million dollars in funding were transferred to the State of California through the ERAF shift.

The following pages will provide detailed information about the area served by Squaw Valley Fire Department, demographic trends in the community, Capital Facilities Plan revenues and expenditures and the legal requirements for adoption and continuation of the Plan.

Service Area Description

Squaw Valley Fire Department serves a 14.5 square mile area including Squaw Valley proper and an area along California State Route 89 and the Truckee River from approximately Alpine Meadows Road on the south to Brush Creek on the north. The topography of the area is generally alpine, with steep slopes reaching from glacial meadows to timberline.

Here is a map that approximately depicts the service area.



Demographic Trends

From its origins as a ski area in the late 1940's, Squaw Valley has always struggled to resolve whether it is a destination resort or a community with a large and successful alpine skiing operation catering primarily to day visitors. The opening of the Resort at Squaw Creek in 1990 was the first credible attempt at establishing the Valley as a true destination for winter and summer recreational visitors. Although the Resort included retail, dining and entertainment elements, those amenities primarily targeted their hotel guests rather than the community within – or beyond – the Valley. The development of the Village at Squaw Valley in 2000 finally provided Squaw Valley with a retail core serving both residents and guests. It offers a variety of shopping, dining and entertainment options which have allowed the Valley, for the first time, to not only keep visitors in the Valley after the lifts close, but to attract residents and visitors from the North Tahoe communities and Truckee.

The effect of this transformation can't be overstated. Although single family home construction and commercial development have been generally strong for the past 25 years or so, the availability of services and amenities within the Valley that were previously only available by driving to Tahoe City or Truckee has invigorated the community as a viable, attractive place for a primary residence as well as a recreational destination. Full-time residency has increased dramatically as a result of technology, economic and demographic trends – more people have the option to telecommute or retire to their mountain home at an earlier age than at any time in the past. The number of young families with children in Squaw Valley is greater now than at any time within the past 30 years, as is the number of homes occupied on a full-time basis. There are still a great many second homes within the Valley, Unlike the past, however, these tend to be the newest (and largest) single family dwellings - during recent years many of the newer, large homes that have been built are occupied on a full-time basis by their owners.

Although the real estate market has sagged considerably, the price of an average home is close to \$1 million. The rental market is brisk and competitive – long term rentals for employees of Valley businesses are few, far between and costly. This presents a significant staffing problem for employers (including Squaw Valley Fire Department) and the larger employers find themselves dependent on a shrinking labor pool and employees commuting to work from as far away as Reno. Squaw Valley Ski Corporation has significantly expanded an employee housing program that supports employees recruited in Eastern Europe and South America on temporary work visas.

Demographic projections for the Valley are somewhat speculative in light of the sluggish real estate market, but it seems likely that a gradual increase in full-time occupancy will continue. It seems certain that rental costs will continue to escalate: many of the available rental units are in older homes – few, if any, of the new homes being built include an apartment. As homes built in the 50's and 60's are torn down and replaced, the number of rental units will decline. This trend will likely continue even though some affordable housing units are proposed as a required component of several larger projects. Although there are more children in the Valley than in recent times, the population is aging as second homeowners retire to become full-time residents.

Mitigation Fee Structure

No change in the mitigation fee structure is requested. As previously discussed, the present fee structure is as follows:

Residences, condominiums and hotels	\$500 per bedroom
Commercial occupancies	\$1050 per 1,000 square feet (\$1.05 per square foot)

Revenue and Expenditure Summary

A revenue and expenditure spreadsheet is attached as Exhibit A

Deviations from the 2001 Capital Facilities Plan

At the time of adoption of the 2001 Plan, the only site owned by Squaw Valley Fire Department (or Squaw Valley Public Service District, which operates the Fire Department) was at 1810 Squaw Valley Road, at the west end of the Valley. The Plan proposed an addition to the existing fire station and included a timeline for development and construction of the addition, as well as a second, small fire station closer to the east end of the Valley.

Squaw Valley Public Service District subsequently acquired a 2 acre parcel at the east end of the Valley and built a combined fire station and administrative center at that location: 305 Squaw Valley Road. The District offices and Fire Department moved into the 305 Squaw Valley Road facility in January, 2005.

The 2001 Plan included a total of \$3.24 million for construction of the addition at 1810 Squaw Valley Road, \$1.7 million (or 52.5%) of which was allocated to the impacts of new development. The actual cost of the Fire Department portion of the 305 Squaw Valley Road facility was \$4.25 million, \$319,119 (or 7.5%) of which was paid from fire mitigation fees.

The 2001 Plan included a \$1.51 million allocation for the construction of a new fire station at the east end of the Valley. This smaller station was intended to house one or two pieces of apparatus and would include housing for part-time personnel. At the time of this writing, the facility at 1810 Squaw Valley Road is being used to house one piece of equipment. The District has completed a feasibility study that addresses converting part of that facility to housing for part-time personnel and adding a piece of apparatus to the inventory at that location. This project has been shelved for the 2010-2011 fiscal year, but could be revived and implemented in a relatively short time in the future.

This deviation from the 2001 Plan is reasonable in light of several considerations:

- The Plan identified the need for facilities at both ends of the Valley to satisfy Insurance Service Office (ISO) and response time criteria.
- Availability and acquisition of land at the east end of the Valley was unanticipated at the time the 2001 Plan was adopted.
- Although the Plan allocated fire mitigation fees for 52.5% of the cost of constructing an addition to the old station, *only 7.5%* of the cost of the new facility was paid using fees collected under the Plan – the entire fund balance at that time.

- The Fire Department maintains a presence at the old fire station and may implement future uses that would enhance response capabilities at the west end of the Valley.
- The new Fire Station and Administrative Center is a building that will have a useful life well beyond what could be expected of the old facility at 1810 Squaw Valley even if the addition had been constructed.

Fire apparatus was also the subject of the 2001 Plan. A new piece of equipment – an aerial ladder or platform - is proposed by the Plan. That piece of equipment has not yet been acquired and is not contemplated until the fire mitigation fee fund balance increases to the point that it will be capable of funding a substantial portion of that purchase. Aerial apparatus currently cost between \$700,000 and \$900,000, so it may take a few years (and one or more large projects) before such a purchase can be made.

The Department acquired two Type I engines following the adoption of the 2001 Plan and designed them to provide more effective fire suppression capabilities at available staffing levels. Both engines have significantly larger pumps than the units they replaced – 20% and 50% larger, respectively. In addition, the District replaced a 1991 rescue unit in 2006 with a new unit that provides better functionality for the rescue tasks that are typically encountered. The 'first out' engine and the rescue unit are both equipped with a full complement of Advanced Life Support equipment, so that the Paramedics can operate out of either unit with equal effectiveness. This also gives us the ability to run simultaneous ALS calls in different locations. A portion of the cost of that apparatus acquisition was allocated to impacts of new development and is shown in the revenue and expenditure summary on the previous page.

The only other piece of apparatus proposed under the 2001 Plan was a "low profile Village response unit" which has not yet been acquired. This piece of equipment may still be acquired and would be housed at the 1810 Squaw Valley Road facility. It is intended to provide a means of moving equipment and a patient through the pedestrian areas of the Village at Squaw Valley. If Phases III and IV of the Village are constructed, this piece of equipment will be a more critical need than it is at present, because travel distances in the pedestrian areas at this stage of completion are considerably shorter than they will be at buildout. This piece of equipment would also have significant utility in transporting patients on the mountain during the summer mountain biking operation, which is rumored to be returning as an element of the Squaw Valley USA summer operation in 2010.

Notice of Public Hearing

A public hearing was conducted at the June 29, 2010 regular meeting of the Squaw Valley Public Service District Board of Directors. The notice of Public Hearing is attached as Exhibit B.

Resolution Adopting the Capital Facilities Plan

The Board Resolution is attached as Exhibit C.

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SQUAW VALLEY FIRE DEPARTMENT
Fire Protection Fund

Fund Balance History

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-2008	2008-2009	2009-10	Projected 2010-11
Balance Forward	\$135,365	\$363,633	\$384,750	\$215,666	\$0	\$27,104	\$52,485	\$71,546	\$93,325	\$115,947
Fire Mitigation Fee Income	\$220,219	\$12,160	\$15,000	\$15,860	\$26,500	\$23,160	\$16,000	\$19,000	\$20,113	\$4,500
Interest Income	\$8,049	\$8,957	\$1,665	\$0	\$604	\$2,221	\$3,061	\$2,779	\$2,509	\$2,029
Total Income	\$228,268	\$21,117	\$16,665	\$15,860	\$27,104	\$25,381	\$19,061	\$21,779	\$22,622	\$6,529
Expenses										
Allocated Costs - Type 1 Engines			\$98,157							
Land Acquisition - New Station			\$87,593							
Allocated Costs - New Fire Station Building				\$231,526						
Total Expenses	\$0	\$0	\$185,750	\$231,526	\$0	\$0	\$0	\$0	\$0	\$0
Fund Balance	\$363,633	\$384,750	\$215,666	\$0	\$27,104	\$52,485	\$71,546	\$93,325	\$115,947	\$122,476

Fund Balance Projections

	Budgeted			
	2011-12	2012-13	2013-14	2014-15
Balance Forward	\$122,476	\$133,619	\$144,958	\$156,495
Fire Mitigation Fee Income ¹	\$9,000	\$9,000	\$9,000	\$9,000
Interest Income (estimated at 1.75%/yr)	\$2,143	\$2,338	\$2,537	\$2,739
Total Projected Income	\$11,143	\$11,338	\$11,537	\$11,739
Projected Expenses				
Total Expenses	\$0	\$0	\$0	\$0
Fund Balance	\$133,619	\$144,958	\$156,495	\$168,233

Footnotes

1. Fire Mitigation Fee Income is based on new construction of three, 4 bedroom homes each year plus remodels

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

Account Number: # 1066596

Legal Account
Squaw Valley Public Service District
P.O. Box 2026
Olympic Valley, CA 96146
Attn: Jim Smith

Melissa Saavedra says:

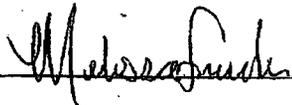
That (s)he is a legal clerk of the SIERRA SUN, a newspaper published Wednesday and Friday, at Truckee, in the State of California.

Notice of Public Hearing
June 28, 2011

Ad #6643930

of which a copy is hereto attached, was published in said newspaper for the full required period of 1 time commencing on June 15, 2011, and ending on June 15, 2011, all days inclusive.

Signed: _____



STATEMENT:

DATE	AMOUNT	CREDIT	BALANCE
6/15/11		\$ 0.00	

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Board of Directors of the Squaw Valley Public Service District will hold a public hearing to review and consider adopting the 2011 Fire Capital Facilities Plan Update. There is no fee increase contemplated. The hearing is intended for review, explanation, and public input on the Plan Update.

Any and all interested persons may appear and be heard.

HEARING DATE: June 28, 2011

HEARING TIME: 10:00 a.m. or as soon thereafter as possible

PLACE: Squaw Valley Public Service District
305 Squaw Valley Road, Room 100
Olympic Valley, CA

Additional information, together with copies of the Plan may be obtained by contacting the District at 530-583-6228.

By: James R Smith, Board Secretary
Posted: June 16, 2010

Pub: June 16, 2011 Ad#6643930

SQUAW VALLEY PUBLIC
SERVICE DISTRICT

JUN 16 2011

RESOLUTION 2011-17

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SQUAW VALLEY PUBLIC SERVICE DISTRICT
APPROVING THE 2011 FIRE CAPITAL FACILITIES PLAN UPDATE**

WHEREAS, the Board of Directors of the Squaw Valley Public Service District considered the Squaw Valley Fire Department's existing fire protection services and facilities within its boundaries; and,

WHEREAS, Fire Chief Peter Bansen prepared a Fire Capital Facilities Mitigation Analysis (Analysis) dated January 2001, and updated in February 2001, June 2008, June 2009, June 2010, and June 2011; and

WHEREAS, the Plan sets forth the relationship between new development and those services or facilities required and appropriate to serve new development, and the estimated costs of those services or facilities; and,

WHEREAS, the Plan sets forth the fees needed to meet the demands caused by new development within the boundaries of the Squaw Valley Fire Department;

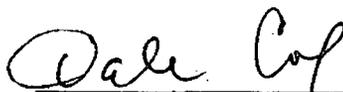
NOW, THEREFORE, BE IT RESOLVED that:

1. The Board of Directors hereby approves and adopts the current 2011 Capital Facilities Plan Update.
2. The Board hereby finds that the Fire Protection Fees set forth therein are reasonable and necessary to finance fire protection equipment and facilities needed to meet the demands caused by new development within the boundaries of the Squaw Valley Fire Department.
3. The Board authorizes and directs the Fire Chief to forward the Plan Update to the Board of Supervisors of the County of Placer for approval and adoption of the Fire Mitigation Fees recommended in the Plan.

PASSED AND ADOPTED this 28th day of June 2011 at a regular meeting of the Board of Directors duly called and held by the following vote:

AYES: Directors Cox, Gustafson, Poulsen, Sheehan and Wilcox
NOES: None
ABSENT: None
ABSTAIN: None

APPROVED:



Dale Cox, Board President

ATTEST:


James R Smith, Board Secretary

