

PLACER COUNTY  
OFFICE OF EMERGENCY SERVICES

MEMORANDUM

**To:** Honorable Board of Supervisors

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

**Date:** January 13, 2009

**Subject:** Adopt a Resolution approving the North Tahoe Fire Protection District 2008 Capital Facilities and Mitigation Fee Expenditure Plan that contains an 8.6% increase in fees.

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**ACTION REQUESTED**

That your Board adopt a resolution approving the North Tahoe Fire Protection District 2008 Capital Facilities and Mitigation Fee Expenditure Plan that contains an 8.6% increase in 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, but not to levy, development fees and codified it in Placer County Code (Chapter 15.36.010).

As noted above, fire districts do not have the legal authority to *levy* fees, which is a legal authority retained by the Placer County Board of Supervisors. Therefore, in order to *collect* mitigation fees, and as a requirement of CGC 66000, a fire protection district must complete a Capital Facilities Plan (or Capital Improvement Plan) which is subject to Board of Supervisors approval.

Capital Facilities Plans

The law requires a Capital Facilities Plan to 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 North Tahoe Fire Protection District (District) plan addresses these legal requirements and incorporates them as a part of the required annual plan update.

North Tahoe Fire Protection District

The North Tahoe Fire Protection District comprises 31 square miles of eastern Placer County in the Lake Tahoe Basin (Basin) along the northern and western shores of Lake Tahoe. Development in the Basin is expected to increase in the coming years, and the District assumes a more than 7,000 person increase in residential population and a corresponding increase in the work force. Inasmuch as the Basin is a high cost area, the District sees the costs of fire protection and prevention services continually spiraling upwards for the foreseeable future.

District Capital Facilities Plan 2008

The District's current mitigation fee structure is based on "type structures." This schedule helps to best meet future capital needs of the District and was adopted after a comprehensive rewrite of its original plan in 2007 by the financial consulting firm *MuniFinancial*. In addition, in the Plan which your Board approved in July 2007, the District indicated that it would adjust fees each year based on a standardized existing price/cost index. Therefore, the District adjusted all existing mitigation fees in this plan by the percent increase in the Construction Cost Index (CCI) which, for the period May 2007 to October 2008, rose by 8.6%. The table below illustrates existing and proposed rates:

**Existing and Proposed Rates  
 (\$/Ft<sup>2</sup>)**

	<b>Existing</b>	<b>Proposed</b>
<b>Residential</b>	<b>0.77</b>	<b>0.84</b>
<b>Nonresidential</b>		
• <b>Commercial</b>	<b>0.57</b>	<b>0.62</b>
• <b>Office</b>	<b>0.73</b>	<b>0.79</b>
• <b>Industrial</b>	<b>0.51</b>	<b>0.55</b>

The District Board of Directors held a properly noticed public hearing on December 17, 2008, performed the annual review, and adopted the plan by Resolution 8-2008 (Attached).

The District expects to collect \$90,000 in mitigation fees in Fiscal Year 2008/2009, and had a fund balance of \$136,421 at the beginning of the year. It plans expenditures of \$200,456 for a fire engine chassis, and a partial payment on a new fire station.

**FISCAL IMPACT**

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

**Attachments**

Resolution  
North Tahoe Fire Protection District Board of Directors Resolution 8-2008  
North Tahoe Fire Protection District 2008 Capital Facilities and Mitigation  
Fee Expenditure Plan

**Available for Public Review at the Office of the Clerk of the Board**

North Tahoe Fire Protection District 2008 Capital Facilities and Mitigation Fee  
Expenditure Plan

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

In the matter of: **A RESOLUTION APPROVING THE  
NORTH TAHOE FIRE PROTECTION DISTRICT  
2008 CAPITAL FACILITIES AND MITIGATION FEE  
EXPENDITURE PLAN.**

Resol. No: \_\_\_\_\_

The following **RESOLUTION** was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held **JANUARY 13, 2009** 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* allows local agencies to collect fees from new development to offset the impacts of that development on local services, the Placer County Board of Supervisors, on August 28, 1990, created the legal framework for fire protection districts to collect fees to mitigate development impacts on services. That legal framework is codified in the Placer County Code Chapter 15.36.010, and

**WHEREAS** the legal authority to levy fees stems from the police power of the County and rests with the Board of Supervisors, the fire protection districts in and of themselves do not have direct legal authority to levy fees. Therefore, in order to collect mitigation fees on new construction, a district must prepare and submit to the Board of Supervisors a Capital Facilities (or Capital Improvement) Plan that delineates a proposed fee schedule, and

**WHEREAS** the Board of Directors of the District held a public hearing to review its plan on December 17, 2008 and adopted it by passing Resolution 8-2008. In keeping with the plan uses the 8.6% increase in the Construction Cost Index for the period May 2007 - October 2008 to determine its proposed annual fee increase; and

**WHEREAS** as part of its annual review, the North Tahoe Fire Protection District showed a 2008 beginning mitigation fee balance of \$136,421 and expects \$90,000 in revenues this fiscal year, and

**WHEREAS** the District plans capital expenditures in 2008/2009 of \$200,456 for a fire engine chassis and a partial payment for a new fire station.

**NOW, THEREFORE, BE IT RESOLVED** by the Governing Body of the County of Placer that the North Tahoe Fire Protection District 2008 Capital Facilities and Mitigation Fees Expenditure Plan is hereby approved.