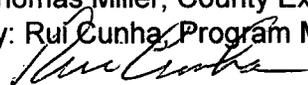


**PLACER COUNTY  
OFFICE OF EMERGENCY SERVICES**

**M E M O R A N D U M**

**To:** Honorable Board of Supervisors

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


**Date:** November 3, 2009

**Subject:** Conduct a Public Hearing and adopt a Resolution approving the Placer County Fire 2009 Capital Improvement Plan, a new plan that increases mitigation fees from \$0.55 to \$0.65 per square foot for residential property and from \$0.41 to \$0.48 per square foot for commercial/industrial property, and approve use of the Consumer Price Index - All Urban Consumers (CPI-U) for San Francisco, Oakland and San Jose for annual fee adjustments going forward.

---

**ACTION REQUESTED**

That your Board Conduct a Public Hearing and adopt a Resolution approving the Placer County Fire 2009 Capital Improvement Plan, a new plan that increases mitigation fees from \$0.55 to \$0.65 per square foot for residential property and from \$0.41 to \$0.48 per square foot for commercial/industrial property, and approve use of the Consumer Price Index - All Urban Consumers (CPI-U) for San Francisco, Oakland and San Jose, for annual fee adjustments going forward.

**BACKGROUND**

The Placer County Fire Capital Improvement Plan for 2009 is a completely new plan from that dated Oct 2007 and presented to your Board in 2008. The plan provides a basis for funding fire stations and apparatus (both vehicles and equipment) required as a direct result of increased fire service demands resulting from new development. This plan ensures that new development only pays for new fire facilities and apparatus necessary to provide fire protection services to new development and ensures that existing service levels are not negatively impacted. In addition, this plan ensures that new development does not pay for existing system deficiencies. Since base property taxes and special assessment revenues are wholly devoted to operations, management, facilities and apparatus replacement, fire mitigation fees are needed to provide at least a portion of funding for necessary construction of new facilities and for the purchase of new apparatus.

Your Board approved a Capital Improvement Plan and mitigation fee schedule for 2008 that was based on projected development. The attached Impact Fee Study reflects the most up to date development projections and costs. As it adjusts both development projections and costs it is a new plan resulting in a new fee schedule.

**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. CGC 66000 requires a properly noticed Public Hearing be conducted by the governing body of the fire district, a role that your Board performs for Placer County Fire (PCF).

The 2009 plan conforms to CGC 66000 which requires a Capital Improvement Plan that:

- Identifies the purpose of the fee.
- Identifies the specific use to which the fee is to be put.

- Determines a reasonable relationship between the fee's use and the type of development on which the fee is imposed.
- Determines a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.
- Determines a reasonable relationship between the fee and the cost of the public facilities (or portion) attributable to the development.

### **Placer County Fire Facilities Impact Fee Study**

Placer County retained the services of *Willdan Financial Services*, previously known as *MuniFinancial Services* (and the same company that completed the 2008 plan), an experienced public sector financial consulting firm to produce the Placer County Fire Facilities Impact Fee Study (Study) and 2009 Capital Improvement Plan (CIP). The Study addresses all legal requirements of CGC 66000 and is the repository of all supporting data for the CIP.

### **Study Scope:**

The Study covers the 475 square miles of the central and western portions of unincorporated County not covered by an independent Fire Protection District. It is this area for which Placer County Fire (PCF) provides fire protection and emergency medical services. With a current service population of approximately 52,500, the PCF area of responsibility is projected to grow to approximately 209,000 by the year 2030.

While the Study analyzes the entire service area, large developments (e.g., Placer Vineyards, Regional University, Riolo Vineyards, etc.) are excluded from calculations inasmuch as facilities and apparatus needs of large developments are mitigated through development agreements.

### **Study Summary:**

The Study supports a mitigation fee of \$.65 and \$.48 per square foot of new residential and commercial development respectively. The study further identifies an existing and projected system deficit of \$14,034,818 through 2030 for additional facilities and equipment. This compares with last year's study that supported a mitigation fee of \$.64 and \$.48 per square foot of new residential and commercial development respectively and identified a projected system deficit of \$13,373,018 through 2030 for additional facilities and equipment.

### **Current system:**

The County currently provides rural level fire protection and all-hazard fire and emergency services on a year-round basis. Service is provided through a contract with California Department of Forestry and Fire Protection (CAL FIRE) doing business as Placer County Fire in a service area comprising nearly one third of the County. Service is provided by 67 full time firefighters operating out of eight fully staffed, 24-hour/day fire stations in Alta, Colfax, Bowman, North Auburn, Ophir, Lincoln, the Sunset Industrial Area, and Dry Creek. In addition, the system supports 100 active or semi-active community volunteer firefighters operating from stations in Dutch Flat, Fowler, Paige, Thermalands, Lone Star and Sheridan.

Placer County Fire operates and maintains 51 County-owned fire engines and support vehicles which, when combined with County-owned real property and equipment, have an estimated value of approximately \$18,000,000. The County's annual contract with CAL FIRE is valued at approximately \$8,500,000.

### **Proposed future system:**

Placer County Fire anticipates an approximate 20 year gradual transition from its role as a "rural service" provider to that of a "rural and urban" service provider. The future fire protection

system described in the Study is based on levels of service defined in the Placer County General Plan for urban, suburban and rural service areas.

Population within the PCF service area is expected to grow by 400% over the next 20 years, the majority of growth occurring in urban density areas. At the same time, population in rural service areas is also expected to grow, but by only 30%. These growth projections would significantly impact fire protection service delivery if left unmitigated. For that reason, the study addresses the addition of six fire stations to support the larger developments, three fire stations to support growth in the more rural areas, and a regional fire facility to support systemwide command, control and communications, training, maintenance, storage and administration. With the addition of vehicles and equipment, the study forecasts \$102,000,000 in required costs to mitigate growth and ensure that fire and emergency medical services are sustained. Approximately \$75,000,000 of that total is designated for larger developments and urban service levels, and approximately \$27,000,000 is earmarked for rural and suburban service level areas.

The Impact Fee Study describes and analyzes both growth and cost associated with the future fire system, and its findings support a mitigation fee of \$.65 and \$.48 per square foot on new residential and commercial development, respectively.

As previously stated, the Study identifies an existing, long term PCF system deficit of just over \$14,000,000. This deficit is significantly impacted by the items discussed above and will be reduced through alternative funding sources such as partnerships, bond programs, and grants.

**Current and Future Fee Comparison:**

Proposed new rates (in \$/ft<sup>2</sup>) are as shown. In future plan years, rates will be adjusted up or down on a year-over-year basis in accordance with the Consumer Price Index - All Urban Consumers (CPI-U) for San Francisco, Oakland and San Jose. The new rates will be applied systemwide:

<b>Current Rates:</b>	Residential - \$0.55	Nonresidential - \$0.41
<b>Proposed Rates:</b>	Residential - \$0.65	Nonresidential - \$0.48
<b>Increase</b>	<b>\$0.10</b>	<b>\$0.07</b>

**Capital Improvement Plan:**

PCF has a current mitigation fund balance of \$4,249,182 and projects total Fiscal Year 2009 mitigation fee revenues of approximately \$217,000. Mitigation fund expenditures for this fiscal year total \$1,137,500 consisting of \$550,000 to add an apparatus bay to Station 100, \$487,500 for vehicles and apparatus, \$88,000 for special equipment, and \$12,000 for planning services.

**FISCAL IMPACT**

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

**Attachments**

Resolution

Placer County Fire Fire Facility Impact Fee Study Update and Capital Improvement Plan, dated June 26, 2009 - on file for public review with Clerk of the Board