

FIRE FACILITIES IMPACT FEE STUDY

NEVADA COUNTY CONSOLIDATED FIRE DISTRICT

FINAL

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Fire Facilities Impact Fee Study

Introduction

This report summarizes an analysis of the need for fire facilities by the Nevada County Consolidated Fire District (District) to accommodate new development. The report documents a reasonable relationship between new development and an impact fee for funding these new facilities to serve that development.

The District is a rural fire protection district located in Nevada County. The District provides a comprehensive range of services including fire suppression, emergency medical services, and fire prevention services.

As with most local agencies, the District's property tax revenue stream has diminished in terms of real dollars over time since the imposition of Proposition 13 in 1978. Consequently, the District must manage its resources carefully to properly serve the projected influx of new residents and businesses to the region.

The District currently has a fire facility impact fee in place, which has not been updated to incorporate new facility needs and demographic changes in quite some time. The fee needs to be updated to take into account recent growth projections and the facilities needed to serve the future population.

As new development increases the demand for fire protection services, the District will need to expand and reconfigure its inventory of facilities to continue to provide high quality services. Although this report specifically addresses the need for fire facilities and not staffing (or other on-going operational costs), it is important to consider the need for additional fire facilities in the context of the need for space to accommodate more personnel (e.g., sleeping quarters). The District's other funding sources will increasingly be needed to address operational needs.

The District's boundaries encompass only unincorporated areas. Per the *Mitigation Fee Act* contained in *Government Code* Section 66000 *et. seq.*, the County rather than the District has legal authority to impose impact fees in the District's unincorporated area. This report provides the necessary documentation for both the Nevada County Board of Supervisors and Nevada County Consolidated Fire District to adopt a fire facilities impact fee for imposition within the District's boundaries. It also provides a list of statutory findings pertaining to the imposition of the District fees.

Fire Facilities Service Population

The District serves homes, businesses and rural agricultural regions in its service area. Demand for the District's services and associated facilities is measured by its service population, or the number of residents and workers within its service area. Service population reasonably represents the need for fire facilities because people requesting medical assistance generate the most calls for service. Structural fire suppression is the second most important mission of the fire department after the protection of life.

Table 1 provides estimates of the District's total service population in 2015 and 2040. 2015 is the most recent year for which demographic data for the District was available at the time of this study. Total service population is comprised of residents and employees working within the District.

Table 1: Nevada County Consolidated Fire District Service Population

	A	B	C	D = A + (B x C)
	Residents	Workers	Worker Demand Factor ¹	Service Population
<u>Residents and Workers</u>				
Existing (2015) ²	32,100	4,000	0.69	34,900
New Development (2015-2040) ³	2,800	600	0.69	3,200
Total (2040)	34,900	4,600	0.69	38,100

Note: All figures have been rounded to the nearest hundred.

¹ Workers are weighted at 0.69 of residents based on an survey of worker demand on fire services conducted in the City of Phoenix.

² Existing residents from LAFCo Sphere of Influence Study. Total people in District (36,100), less identified residents equals 4,000 employees.

³ Future growth based on equivalent residents and workers calculated from growth in building square feet, estimated based on 10 year average of building growth.

Sources: Sphere Of Influence Updates, 2014, Nevada County Fire Service Providers, Local Agency Formation Commission Of Nevada County, Approved And Adopted January 16, 2014; Nevada County Consolidated Fire District; Willdan Financial Services.

The estimates of existing residents within the District are identified in the Sphere Of Influence Updates, 2014, Nevada County Fire Service Providers, Local Agency Formation Commission of Nevada County. Future residents are estimated based on an assumed increase of 216,300 square feet per year, allocated to residential and nonresidential land uses. The figure is based on the average building square feet built within the District over a 10-year period. See **Appendix Table A.1** for annual building square feet growth data from FY 2005-06 to FY 2014-15.

Estimates of existing workers were also estimated based on data in the LAFCo report cited above. Future workers are estimated using the same methodology described above to estimate growth in residents.

The specific 0.69 per worker weighting used here is derived from an extensive study carried out by planning staff in the City of Phoenix. Data from that study is used to calculate a per capita factor that is independent of land use patterns. It is reasonable to assume that relative demand for fire service between residents and workers does not vary substantially on a per capita basis across communities, enabling the use of this data in other communities in the documentation of a fire facilities impact fee.

Using this weighting factor, the total existing service population for the District is estimated at about 34,900 as shown in Table 1. The projected 2040 service population is larger at 38,100. The increase in service population due to new development is approximately 3,200.

Land Use Types

To ensure a reasonable relationship between each fee and the type of development paying the fee, the fee schedule distinguishes between different land use types. The land use types that impact fees have been calculated for are defined below.

- ◆ **Residential dwelling units:** All detached and attached residential dwellings.
- ◆ **Commercial:** All commercial, retail, educational, and hotel/motel development.

- ♦ **Office:** All general, professional, and medical office development.
- ♦ **Industrial:** All manufacturing and warehouse development.
- ♦ **Agricultural –** All agricultural building development.

Some developments may include more than one land use type, such as a mixed-use development with both residential and commercial uses. In those cases the facilities fee would be calculated separately for each land use type.

The District has the discretion to determine which land use type best reflects a development project's characteristics for purposes of imposing an impact fee and may adjust fees for special or unique uses to reflect the impact characteristics of the use.

Occupant Densities

All fees in this report are calculated based on building square feet. Occupant density assumptions ensure a reasonable relationship between the size of a development project, the increase in service population associated with the project, and the amount of the fee.

Occupant densities (residents per dwelling unit, converted to building square feet or workers per building square foot) are the most appropriate characteristics to use for most impact fees. The fee imposed should be based on the land use type that most closely represents the probable occupant density of the development.

The average occupant density factors used in this report are shown in **Table 2**. The residential density factor is based on data for Nevada County from the US Census' 2009-2013 American Community Survey, Tables B25033 and B25024.

The nonresidential occupancy factors for are based on occupancy factors found in the *Employment Density Study Summary Report*, prepared for the Southern California Association of Governments by The Natelson Company. Though not specific to Nevada County, the Natelson study covered employment density over a wide array of land use and development types, making it reasonable to apply these factors to other areas.

Table 2: Occupant Density

<u>Residential Dwelling Unit</u>	1.85	Residents per dwelling unit
<u>Nonresidential</u>		
Commercial	1.69	Employees per 1,000 square feet
Office	1.61	Employees per 1,000 square feet
Industrial	0.88	Employees per 1,000 square feet
Agricultural ¹	0.03	Employees per 1,000 square feet

¹ Assumes floor-area-ratio of 0.25, and 0.34 employees per acre, per Natelson.

Sources: US Census, 2013 American Community Survey, Tables B25033 and B25024; The Natelson Company, Inc., *Employment Density Study Summary Report*, October 31, 2001; Willdan Financial Services.

Table 3 estimates the equivalent square footage for existing and future development based on the data in Table 1 and the occupancy density factors in Table 2. The increase in square footage is based on an average growth of 216,300 square feet per year, as identified in Appendix Table A.1.

Square footage is allocated to residential and nonresidential land uses based on the current population proportions.

Table 3: Equivalent Building Square Feet

	Residential	Nonresidential	Total
<u>Equivalent Square Feet (1,000s)</u>			
Existing (2015) ¹	54,379	4,211	58,590
New Development (2015-2040) ²	4,808	599	5,408
Total (2040)	59,187	4,810	63,998

¹ Calculated based on data in Tables 1 and 2.

² Assumes 216,300 new building square feet per year, allocated to residential and nonresidential based on current population proportions.

Sources: Tables 1 and 2, and Appendix Table A.1; Willdan Financial Services.

Existing Fire Facilities

The District's inventory of existing fire facilities was used as the basis for calculating the District's facility standard. This standard is used to determine new development's fair share obligation for expanded facilities as growth occurs. The District's existing fire protection facilities described in this section currently serve the entire District.

Tables 4 and 5 provide a detailed inventory of the District's stations, existing apparatus and special equipment. The estimated value of the District's inventory is based on unit cost assumptions. Unit costs reflected in Tables 4 and 5 include the following:

- ♦ **Land cost per acre.** Estimated cost per acre based on comparable sales data from Loopnet.com in 2015.
- ♦ **Buildings.** Estimated replacement costs based on comparable data from other local fire protection districts.
- ♦ **Apparatus/Vehicles/Equipment.** Estimated replacement cost of apparatus, vehicles and equipment carried on apparatus provided by the District.

Table 4 highlights the District's existing inventory of land and buildings. The District is currently served by nine facilities located through out the service area. The estimated replacement cost of the facilities is approximately \$14.4 million.

Table 4: Existing Fire Station Inventory

	Amount	Unit Cost	Total Cost
<u>Station No. 81 - 16528 Pasquale Road</u>			
Building	1,664 sq. ft.	\$ 300	\$ 499,200
Land	0.65 acres	218,000	<u>141,700</u>
Subtotal			\$ 640,900
<u>Station No. 82 - 18969 Scotts Flat Road</u>			
Building	1,910 sq. ft.	\$ 300	\$ 573,000
Land	1.68 acres	218,000	<u>366,240</u>
Subtotal			\$ 939,240
<u>Station No. 83 - 14700 N. Bloomfield Road</u>			
Building	1,664 sq. ft.	\$ 300	\$ 499,200
Land	0.98 acres	218,000	<u>213,640</u>
Subtotal			\$ 712,840
<u>Station No. 84 - 10135 Coyote Street</u>			
Building	10,290 sq. ft.	\$ 300	\$ 3,087,000
Land	4.94 acres	218,000	<u>1,076,920</u>
Subtotal			\$ 4,163,920
<u>Station No. 86 - 12337 Banner Lava Cap</u>			
Building	3,916 sq. ft.	\$ 300	\$ 1,174,800
Land	1.33 acres	218,000	<u>289,940</u>
Subtotal			\$ 1,464,740
<u>Station No. 88 - 14518 Highway 49</u>			
Building	4,851 sq. ft.	\$ 300	\$ 1,455,300
Land	2.52 acres	218,000	<u>549,360</u>
Subtotal			\$ 2,004,660
<u>Station No. 89 - 11833 Tammy Way</u>			
Building	3,920 sq. ft.	\$ 300	\$ 1,176,000
Land	0.36 acres	218,000	<u>78,480</u>
Subtotal			\$ 1,254,480
<u>Station No. 91 (Administration) - 11329 McCourtney Road</u>			
Building	3,200 sq. ft.	\$ 300	\$ 960,000
Land	2.76 acres	218,000	<u>601,680</u>
Subtotal			\$ 1,561,680
<u>Station No. 92 - 14811 McCourtney Road</u>			
Building	4,576 sq. ft.	\$ 300	\$ 1,372,800
Land	1.44 acres	218,000	<u>313,920</u>
Subtotal			\$ 1,686,720
Total - Land and Buildings			\$ 14,429,180

Source: Nevada County Consolidated Fire District; Loopnet.com; Willdan Financial Services.

Table 5 displays the inventory and estimated value of existing apparatus and vehicle cost estimates including the fire fighting, emergency medical, and communications equipment needed to stock each vehicle. In total the District owns approximately \$8.1 million worth of fire protection vehicles, apparatus and equipment. Note that the facilities are divided between those that serve the entire District and those that are needed to serve areas of the District that lack fire hydrants. In particular, water tenders and associated equipment are necessary to serve the non-hydrant areas.

Table 5: Vehicle, Apparatus and Equipment Inventory

Unit No.	Type	Identifier	Year	Make	Model	Replacement Cost	Equipment Cost	Total Value
<u><i>District-wide Facilities</i></u>								
101	Chief	C 5100	2016	Ford	F-250	\$ 50,000	\$ -	\$ 50,000
102 - E	Engine	E 83	1999	Freightliner	FL70	450,000	100,000	550,000
103 - E	Engine	E 86	2006	Pierce	Saber	600,000	145,000	745,000
104 - U	Utility	Prevention 1	2008	Ford	Expedition	50,000	7,500	57,500
105 - E	Engine	E 84B	2000	Freightliner	FL70	450,000	100,000	550,000
106 - S	Squad	S 86	2001	Ford	F550	125,000	50,000	175,000
107 - T	Trailer	Fire Safety	2009	Scotty	FG-35BlchFlt	90,000	10,000	100,000
108 - U	Utility	B/C	2015	Ford	F-250	60,000	7,500	67,500
109 - B	Brush	B89	2008	Pierce	IHC 7400 4x4	400,000	100,000	500,000
110 - T	Trailer	LAR 1	2009	Double R	2HLSS	12,000	25,000	37,000
111 - E	Engine	E 89	2016	Pierce	Arrow XT	550,000	145,000	695,000
112 - U	Utility	Inspector	2009	Chevrolet	Tahoe	50,000	7,500	57,500
113		Investigation	2015	Haulmark	TST6X12DT2	5,000	5,000	10,000
114	Chief	C 5102	2016	Ford	F250	50,000	-	50,000
115 - U	Utility	U 89	2000	Ford	Expedition	50,000	2,500	52,500
116 - E	Engine	E 92	2000	Freightliner	FL70	450,000	100,000	550,000
117 - E	Engine	Surplus	1988	Pierce	Dash	-	-	-
121 - U	Utility	U 86	2006	GMC	Yukon	50,000	2,500	52,500
123 - T	Trailer	Trailer	1996	Homemade	Utility	5,000	N/A	5,000
129 - E	Engine	E 81	1996	International	4800	450,000	100,000	550,000
130 - E	Engine	E 82	1996	International	4800	450,000	100,000	550,000
132 - E	Engine	E 84	2006	Pierce	Saber	600,000	145,000	745,000
134 - U	Utility	U 88	2008	Chevrolet	C1500 - 4x4	50,000	7,500	57,500
135 - R	Rescue	R 84	1999	Ford	F-550	150,000	110,000	260,000
137 - U	Utility	U 84	2002	Ford	F-150 4x4	50,000	2,500	52,500
140 - E	Engine	E88	2006	Pierce	Saber	600,000	145,000	745,000
141 - U	Utility	Repair 5130	2006	Ford	F550	125,000	100,000	225,000
WT		OES WT 42	2003	Freightliner	FL 80	-	-	-
200		Command 1	2006	Freightliner	Bus. Class	-	-	-
201		MCI / Rehab		Haulmark	KD7X14WT2	-	-	-
202		HAZ-MAT		Haulmark	KD7X12WS2	-	-	-
Subtotal						\$ 5,972,000	\$ 1,517,500	\$ 7,489,500
<u><i>Non-Hydrant Area Facilities</i></u>								
127 - WT	Water Tender	WT 88	1990	Kenworth		\$ 300,000	\$ 50,000	\$ 350,000
128 - WT	Water Tender	WT 84	1994	Kenworth		300,000	50,000	350,000
Subtotal						\$ 600,000	\$ 100,000	\$ 700,000
Total - All Facilities						\$ 6,522,000	\$ 1,617,500	\$ 8,139,500

Source: Nevada County Consolidated Fire District.

Table 6 summarizes the estimated value of the District's existing inventory of fire facilities, as shown in Tables 4 and 5. The District currently owns the equivalent of approximately \$22.6 million in fire protection facilities, apparatus and equipment to meet the needs of its existing service population.

Non-hydrant areas are served by \$700,000 worth of apparatus and equipment, in addition to the District-wide apparatus, and equipment.

Table 6: Estimated Total Value of Existing Inventory

Category	Value
Stations	\$ 14,429,180
Vehicles, Apparatus and Equipment	<u>7,489,500</u>
Subtotal - All Areas	\$ 21,918,680
Non Hydrant Area Apparatus and Equipment	<u>\$ 700,000</u>
Total - Districtwide	\$ 22,618,680

Sources: Tables 4 and 5.

Fire Facilities to Accommodate New Development

Preliminary planning for future fire facilities was also included in the analysis. The purpose of the preliminary facilities planning conducted for this study was to estimate the cost of future facility needs and to estimate if the projected fire impact fee revenues would adequately fund those needs. Presently, the District does not have a master facilities plan, but recognizes that a station expansion and reconfiguration will be needed in the future. Also, since existing facilities and future facilities will be financed through debt service, new development's share of those debt service costs has also been estimated. Should the District, at some time, create a master plan that identifies needed facilities and estimates costs that differ significantly from those estimated here, the impact fee analysis should be updated to reflect the facilities and estimated costs contained in the master plan.

Table 7 identifies the District's preliminary planned facilities. The District identified fire protection facilities that would be needed to accommodate the magnitude of new residential and commercial development represented by the development projections shown above in Table 1. As mentioned above, debt service costs needed to finance the facilities are also included. In total, approximately \$3.1 million in planned fire facilities is identified in Table 7.

Table 7: Planned Fire Facilities

	Amount	Units	Unit Cost	Subtotal	Discounted Debt Service Costs ¹	Total Cost
<u>Planned Facilities</u>						
Type II Fire Engine with outfitting	1	Engine	\$ 525,000	\$ 525,000	\$ 26,250	\$ 551,250
Equipment and PPEs ²	12	PPEs	4,600	55,200	-	55,200
Station 86 re-configuration	4,500	Sq. Ft.	400	1,800,000	90,000	1,890,000
Administration re-configuration	1,792	Sq. Ft.	229	410,480	20,524	431,004
Existing Station Mortgage Debt Service	n/a	n/a	n/a	n/a	219,169	219,169
Total				\$ 2,790,680	\$ 355,943	\$ 3,146,623

¹ See Appendix Tables A.2 through A.5.² For new seasonal firefighter program.

Sources: Nevada County Consolidated Fire District; Appendix Tables A.2 - A.5.

Fire Facility Standards

The fire facilities impact fees calculated in this report are based on an existing facilities standard approach. The existing standard approach calculates the level of investment in facilities needed to maintain the existing level of facilities within the District, as new development adds increases in demand for fire protection facilities. This per capita facility standard is calculated by dividing the total investment in exiting facilities, by the existing service population, and is displayed in **Table 8**. The existing standard is calculated for the entire District, and then separately calculated for non-hydrant service areas. Per the District, it is estimated that half of its service population is located in non-hydrant areas.

Table 8: Fire Protection Facilities Existing Standard

<u>Districtwide</u>			
Value of Existing Facilities	[A]	\$	21,918,680
Existing Service Population	[B]		34,900
Facility Standard per Resident	[C = A / B]	\$	628
Facility Standard per Worker ¹	[D = C x 0.69]		433
<u>Non-Hydrant Surcharge</u>			
Value of Existing Facilities	[E]	\$	700,000
Existing Service Population	[F]		17,450
Facility Standard per Resident	[G = E / F]	\$	40
Facility Standard per Worker ¹	[H = G x 0.69]		28

¹ Based on a per capita demand factor of 0.69 per worker relative to a resident.

Sources: Tables 1 and 5; Willdan Financial Services.

Projected Impact Fee Revenue

Table 9 estimates the fee revenue generated through 2040, and compares that figure to the total cost of planned facilities identified in Table 8. In total, the impact fee is estimated to generate approximately \$2.1 million through 2040. The bottom line of Table 9 shows that to complete future facilities as currently planned there is a need for \$1.1 million in revenue from non-fee funding sources. This non-fee funding is necessary to complete the planned facilities because the planned facilities represent an increase in facility standards compared to the existing facility standard. The non-fee funding represents a deficiency and is equivalent to existing development's share of the planned facilities.

Table 9: Projected Impact Fee Revenue - Existing Standard

Total Cost of Planned Facilities	[A]	\$ 3,146,623
Facilities Value per Capita - Districtwide	[B]	\$ 628
Facilities Value per Capita - Non-Hydrant areas	[C]	40
Service Population Growth - Districtwide (2015 - 2040)	[D]	3,200
Projected Fire Facilities Impact Fee Revenue	[E = B x D]	\$ 2,009,600
Service Population Growth - Non-Hydrant (2015 - 2040)	[F]	1,600
Projected Fire Facilities Impact Fee Revenue	[G = C x F]	\$ 64,000
Total Projected Fee Revenue	[H = E + G]	\$ 2,073,600
Non-Impact Fee Revenue Needed	I = A - H	\$ 1,073,023

Sources: Tables 1, 7 and 8; Willdan Financial Services.

Alternative Funding Sources

Non-fee funding will be required in order to fully fund the planned facilities. The District recognizes that non-fee revenues will be needed to fund a portion of the planned facility costs. If the non-fee funding is not secured by the end of the planning horizon, the District can still use its impact fee revenue to fund facilities to serve new development, but will not be able to fully fund all of the planned facilities identified in Table 7.

Any funding source other than impact fees can be used to fund the alternative revenue requirement. Potential sources of revenue include, but are not limited to, existing or new general fund revenues, existing or new taxes, special assessments, grants and donations. Any new or increased special tax would require two-thirds voter approval. Any new or increased assessment would require a majority property owner approval. Any new or increased property-related charge or fee would require a majority voter approval.

Fee Schedule

Table 10a shows the maximum justified District-wide fire protection facilities fee schedule.

Development occurring in areas of the District that are not served by fire hydrants will also pay the non-hydrant area surcharge, found in **Table 10b**. In each table, the cost per capita identified in Table 8 is converted to a fee per unit of new development based on dwelling unit and employment densities (persons per dwelling unit or employees per 1,000 square feet of nonresidential building space) from Table 2. For residential development, the cost per dwelling unit is then divided by the average dwelling unit size within the District, to determine the fee per square foot.

The total fee includes a two percent (2%) percent administrative charge to fund costs that include: a standard overhead charge applied for legal, accounting, and administrative support, and fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

In Willdan's experience with impact fee programs, two percent of the base fee adequately covers the cost of fee program administration. The administrative charge is part of the cost of implementing the fee program and constructing the planned facilities. It should be reviewed and adjusted during comprehensive impact fee updates to ensure that revenue generated from the charge sufficiently covers, but does not exceed, the administrative costs associated with the fee program.

Table 10a: Fire Protection Facilities Fee - Existing Standard - Districtwide

Land Use	A Cost Per Capita	B Density	$C = A \times B$		$D = C \times 0.02$		$E = C + D$		$F = E / 3,134$ or 1,000 Fee per Sq. Ft. ³
			Base Fee ¹	Admin Charge ^{1, 2}			Total Fee ¹		
Residential Dwelling Unit	\$ 628	1.85	\$ 1,162	\$ 23			\$ 1,185		\$ 0.38
Nonresidential									
Commercial	\$ 433	1.69	\$ 732	\$ 15			\$ 747		\$ 0.75
Office	433	1.61	697	14			711		0.71
Industrial	433	0.88	381	8			389		0.39
Agricultural	433	0.03	14	-			14		0.01

¹ Persons per dwelling unit or per 1,000 square feet of nonresidential.

² Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

³ The average square footage per residential unit finalized from 1/1/2010 to 12/31/2015 is 3,134 sq. feet based on County permit records.

Sources: Tables 2 and 7; Nevada County Consolidated Fire District; Willdan Financial Services.

Table 10b: Fire Protection Facilities Fee - Existing Standard - Non-Hydrant Area Surcharge

Land Use	A	B	C = A x B	D = C x 0.02	E = C + D	F = E / 3,134 or 1,000	
	Cost Per Capita	Density	Base Fee ¹	Admin Charge ^{1, 2}	Total Fee ¹	Fee per Sq. Ft. ³	
Residential Dwelling Unit	\$ 40	1.85	\$ 74	\$ 1	\$ 75	\$ 0.02	
Nonresidential							
Commercial	\$ 28	1.69	\$ 47	\$ 1	\$ 48	\$ 0.05	
Office	28	1.61	45	1	46	0.05	
Industrial	28	0.88	25	1	26	0.03	
Agricultural	28	0.03	1	-	1	-	

¹ Persons per dwelling unit or per 1,000 square feet of nonresidential.

² Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

³ The average square footage per residential unit finalized from 1/1/2010 to 12/31/2015 is 3,134 sq. feet based on County permit records.

Sources: Tables 2 and 7; Nevada County Consolidated Fire District; Willdan Financial Services.

Program Implementation

The fire facilities impact fee would be collected at time of building permit issuance. Because the District does not have the statutory authority to adopt a fee, it must rely on the County Board of Supervisors for the authority. In addition, to implement the fee the District, in cooperation with the County, should:

- Seek to acquire the necessary property for new stations through purchase or dedication and maintain an updated master plan indicating fire facility standards and the types of facilities anticipated to accommodate growth;
- Identify funding sources to complement impact fee revenues to fully fund planned facilities;
- Maintain an annual Capital Improvement Program budget or another accounting mechanism to indicate where fees are being expended to accommodate growth;
- Maintain records on use of the administrative charge to justify the amount;
- Comply with the annual and five-year reporting requirements of *Government Code* Section 66001 and 66006; and
- Identify appropriate inflation indexes in the fee ordinance and allow an automatic inflation adjustment to the fee annually.

Typically, an inflation index can be based on the District's recent capital project experience or from any reputable published source, such as the Construction Cost Index of the Engineering News Record. The District may also elect use separate indexes for land and construction. Calculating the land index may require use of a property appraiser every several years. To calculate the fee increase, total planned facility costs represented by land or construction, as appropriate, should weight each index.

Mitigation Fee Act Findings

To guide the widespread imposition of development impact fees, the State Legislature adopted the *Mitigation Fee Act* (the *Act*) with Assembly Bill 1600 in 1988 and subsequent amendments. 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 1988 and requires local governments to document the five findings explained in the sections below when adopting an impact fee. For the fire facilities impact fee to be adopted by the County of Nevada (County) on behalf of the Nevada County Consolidated Fire District, the findings are summarized here and supported in detail by the report that follows. All statutory references are to the *Act*.

Purpose of Fee

For the first finding the District must:

Identify the purpose of the fee. (§66001(a)(1))

The purpose of the Nevada County Consolidated Fire District fire facilities impact fee is to provide a funding source from new development for capital improvements to serve that development. The fee advances a legitimate interest of the District and County by assuring that new development within the County is provided with adequate fire protection facilities and services.

Use of Fee Revenues

For the second finding the District must:

Identify the use to which the fee is to be put. If the use is financing public facilities, the facilities shall be identified. That identification may, but need not, be made by reference to a capital improvement plan as specified in Section 65403 or 66002, may be made in applicable general or specific plan requirements, or may be made in other public documents that identify the public facilities for which the fee is charged. (§66001(a)(2))

The fire facilities impact fee will fund expanded facilities to serve new development. All planned facilities will be located within the Nevada County Consolidated Fire District boundaries. Fee revenue may be used to fund:

- Land for fire station and other related structures;
- Fire stations including furniture and other equipment;
- Fire apparatus including equipped engines and other vehicles;
- Medical response, hazardous materials, training, and other specialized fire fighting equipment.
- Potential financing costs associated with the above.

Planned fire facilities are preliminarily identified in this report. Additional planning may be provided in the District's capital improvement plan and annual budgets. This report provides a preliminary description and cost estimate for planned facilities, though facility needs may change overtime as new information becomes available. Other planning documents may provide additional details and proposed timing for construction/acquisition of the facility.

Benefit Relationship

For the third finding the District must:

Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed. (§66001(a)(3))

The District will restrict fee revenues to the acquisition of land, construction of public buildings, and the purchase of related equipment, furnishings, vehicles, and services that will serve new development and the additional residents and workers associated with that new development as part

of a district-wide network of fire protection facilities and services. Thus, there is a reasonable relationship between the use of fee revenues and the residential and nonresidential types of new development that will pay the fee.

Burden Relationship

For the fourth finding the District must:

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. (§66001(a)(4))

Service population and building space provide an indicator of the demand for the facilities needed to accommodate growth. Service population is calculated based on increases in residents and building square footage associated with residential development and employment associated with nonresidential development. To calculate a single per capita standard, one worker is weighted less than one resident based on an analysis of the relative demand for fire facilities by land use type.

The need for the fee is based on the facility standards identified in this report and the growth in district-wide service population projected through 2040. Facilities standards represent the level of service that the District plans to provide its residents and businesses in 2040. Standards are based on the District's total existing and planned facilities allocated across the District's total service population in 2040.

See the *Fire Facilities Service Population* section, for a description of how service population and growth projections are calculated. Facility standards are described in the *Fire Facility Standards* section.

Proportionality

For the fifth finding the District must:

Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed. (§66001(b))

This reasonable relationship between the fire facility impact fee for a specific development project and the cost of the facilities attributable to that project is based on the estimated size of the service population that the project will accommodate. The total fee for a specific project is based on its size as measured by dwelling units or building square feet. The fee schedule converts the estimated service population that a development project will accommodate into a fee based on the size of the project. Larger projects of a certain land use type will have a higher service population and pay a higher fee than smaller projects of the same land use type. Thus, the fee schedule ensures a reasonable relationship between the public facility fee for a specific development project and the cost of the facilities attributable to that project.

See the *Fee Schedule* section for a description of how service population is determined for different types of land uses. The *Fee Schedule* section also presents the fire facilities impact fee schedule.

Appendix

Appendix Table A.1: Square Feet of Building Space Built within District - 10 Year History

Fiscal Year	Square Feet Added
14-15	186,255
13-14	42,765
12-13	83,496
11-12	110,186
10-11	124,306
09-10	127,803
08-09	160,967
07-08	241,819
06-07	470,170
05-06	615,541
10-Year Average, per Year	216,300

Projected Square Feet of New Construction - 2015 to 2040: 5,407,500

Source: Nevada County Consolidated Fire District, 2016; Willdan Financial Services.

Table A.2: Type II Engine - Discounted Debt Service Costs

Year	Payment (Nominal Dollars)	Discount Factor¹	Payment (Real Dollars)
2016	\$ 90,730	1.000	\$ 90,730
2017	90,730	0.952	86,410
2018	90,730	0.907	82,295
2019	90,730	0.864	78,376
2020	90,730	0.823	74,644
2021	90,730	0.784	71,090
2022	90,730	0.746	67,704
Total	\$ 635,113		\$ 551,250

¹Discount rate assumed to be 5% per year.

Source: Nevada County Consolidated Fire District; Willdan Financial Services.

Table A.3: Station 86 - Discounted Debt Service Costs

Year	Payment (Nominal Dollars)	Discount Factor ¹	Payment (Real Dollars)
2016	\$ 127,714	1.000	\$ 127,714
2017	127,714	0.952	121,633
2018	127,714	0.907	115,841
2019	127,714	0.864	110,325
2020	127,714	0.823	105,071
2021	127,714	0.784	100,068
2022	127,714	0.746	95,302
2023	127,714	0.711	90,764
2024	127,714	0.677	86,442
2025	127,714	0.645	82,326
2026	127,714	0.614	78,406
2027	127,714	0.585	74,672
2028	127,714	0.557	71,116
2029	127,714	0.530	67,730
2030	127,714	0.505	64,504
2031	127,714	0.481	61,433
2032	127,714	0.458	58,507
2033	127,714	0.436	55,721
2034	127,714	0.416	53,068
2035	127,714	0.396	50,541
2036	127,714	0.377	48,134
2037	127,714	0.359	45,842
2038	127,714	0.342	43,659
2039	127,714	0.326	41,580
2040	127,714	0.310	39,600
Total	\$ 3,192,861		\$ 1,890,000

¹Discount rate assumed to be 5% per year.

Source: Nevada County Consolidated Fire District; Willdan Financial Services.

Table A.4: Administration Reconfiguration - Discounted Debt Service Costs

Year	Payment (Nominal Dollars)	Discount Factor ¹	Payment (Real Dollars)
2016	\$ 39,547	1.000	\$ 39,547
2017	39,547	0.952	37,663
2018	39,547	0.907	35,870
2019	39,547	0.864	34,162
2020	39,547	0.823	32,535
2021	39,547	0.784	30,986
2022	39,547	0.746	29,510
2023	39,547	0.711	28,105
2024	39,547	0.677	26,767
2025	39,547	0.645	25,492
2026	39,547	0.614	24,278
2027	39,547	0.585	23,122
2028	39,547	0.557	22,021
2029	39,547	0.530	20,972
2030	39,547	0.505	19,974
Total	\$ 593,199		\$ 431,004

¹Discount rate assumed to be 5% per year.

Source: Nevada County Consolidated Fire District; Willdan Financial Services.

Table A.5: Station Mortgage- Discounted Debt Service Costs

Year	Payment (Nominal Dollars)	Discount Factor ¹	Payment (Real Dollars)
2016	\$ 27,085	1.000	\$ 27,085
2017	27,085	0.952	25,795
2017	27,085	0.952	25,795
2018	27,085	0.907	24,567
2018	27,085	0.907	24,567
2019	27,085	0.864	23,397
2019	27,085	0.864	23,397
2020	27,085	0.823	22,283
2020	27,085	0.823	22,283
Total	\$ 243,765		\$ 219,169

¹Discount rate assumed to be 5% per year.

Source: Nevada County Consolidated Fire District; Willdan Financial Services.