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GOODWIN CONSULTING GROUP

**NORTH TAHOE FIRE
PROTECTION DISTRICT (NTFPD)
UPDATE OF THE FIRE FACILITIES
IMPACT FEE STUDY**



NOVEMBER 30, 2018

**NORTH TAHOE FIRE PROTECTION DISTRICT (NTFPD)
UPDATE OF THE FIRE FACILITIES IMPACT FEE STUDY**

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EXECUTIVE SUMMARY

BACKGROUND

As development occurs within the North Tahoe Fire Protection District (“NTFPD” or “District”), additional fire protection facilities will be needed to meet the service demands of future residents and employees. The NTFPD has recently updated the fire protection facilities and costs that are needed to serve development in the District. A fair share portion of the cost of these facilities will be funded by future growth in the NTFPD. Consequently, the proposed fire facilities impact fee (“NTFPD Fire Fee”) included in this *North Tahoe Fire Protection District Update of the Fire Facilities Impact Fee Study* (“Fee Study”) will apply to all future development within the NTFPD boundary. The NTFPD Fire Fee complies with Mitigation Fee Act nexus requirements because the fees are set at the amount needed to mitigate the specific impacts resulting from new development in the District.

The District’s current fire fees are based on the *Update of the Fire Facilities Impact Fee Study*, prepared in 2013 (“2013 Fee Study”); these fees have been increased with subsequent annual inflation adjustments since 2013. The NTFPD Fire Fees proposed in this Fee Study have been revised from the 2013 Fee Study to be based on the amount of improved property in the District. It is reasonable to assume that as more buildings and structures are constructed in the District, the level of responsibility of the District to service the new development grows. As such, a fee that is proportional to the size of the building represents a reasonable relationship between the development and the cost of the facilities required to serve the development. The fee calculation methodology applied in this Nexus Study utilizes a standard approach. This approach determines the total value of all existing facilities and divides the total value by the total existing building square footage to arrive at a per-square foot fee.

Unlike the District’s current fire fees, the proposed Fire Fee in this Nexus Study does not consider the distinction between commercial property and residential property; each type of development would be subject to the same fee based on the buildings square footage.

FIRE PROTECTION FACILITIES AND COSTS

The Fee Study identifies fire protection facilities needed to serve new development in the District. The required fire facilities and costs were determined by the NTFPD based on its long range needs. Facility costs included in the Fee Study have been updated to reflect current and anticipated facility needs, construction costs, and other assumptions.

A summary of the existing facilities and cost estimates, which total approximately \$25.9 million, is shown in Table A below. Detailed fire facilities and cost estimates incorporated in the Fee Study are described in Section III.

**TABLE A
FACILITIES COST SUMMARY**

Description	Estimated Cost
Existing Facilities	\$25,942,808
Total	\$25,942,808

NTFPD FIRE FEES

A summary of the proposed NTFPD Fire Fee is presented below in Table B; the NTFPD Fire Fee includes a 2.0% administration fee mark-up that will be used to fund costs associated with administering the NTFPD Fire Fee program. This fee will fund fee study updates, accounting, and annual reporting required by the Mitigation Fee Act. The proposed fees are approximately a 15% increase over the District’s current residential fire fees.

**TABLE B
NTFPD FIRE FEE SUMMARY**

Land Use	Proposed Fee per SF	Administration Fee (2%)	Total Fee per SF
<i>Residential</i>	\$1.22	\$0.02	\$1.24
<i>Nonresidential</i>			
Commercial	\$1.22	\$0.02	\$1.24
Office	\$1.22	\$0.02	\$1.24
Industrial	\$1.22	\$0.02	\$1.24

PROPOSED INCREMENTAL FIRE FEE INCREASES

In an effort to mitigate the impact of the fee increase, the NTFPD has proposed to spread the fee increase over two years. Table C shows the proposed fee increases over the next two years. The new fee increases would become effective in January of 2019 and 2020.

TABLE C
NTFPD FIRE FEE INCREMENTAL INCREASES

Land Use	2019 Fee per SF	2020 Fee per SF
<i>Residential</i>	\$1.17	\$1.24
<i>Nonresidential</i>		
Commercial	\$0.99	\$1.24
Office	\$1.09	\$1.24
Industrial	\$0.93	\$1.24

I. INTRODUCTION

The North Tahoe Fire Protection District is an independent special district that provides fire, rescue, and pre-hospital emergency medical services to residents and employees within an approximate 30-square mile area on the north and west shores of Lake Tahoe in the County of Placer. A map identifying the District's boundaries is shown on the following page.

The NTFPD currently operates five fire stations within its boundary. These stations are located in Tahoe City, Kings Beach, Homewood, Dollar Point, and Carnelian Bay and currently serve and estimated 9,900 residents.

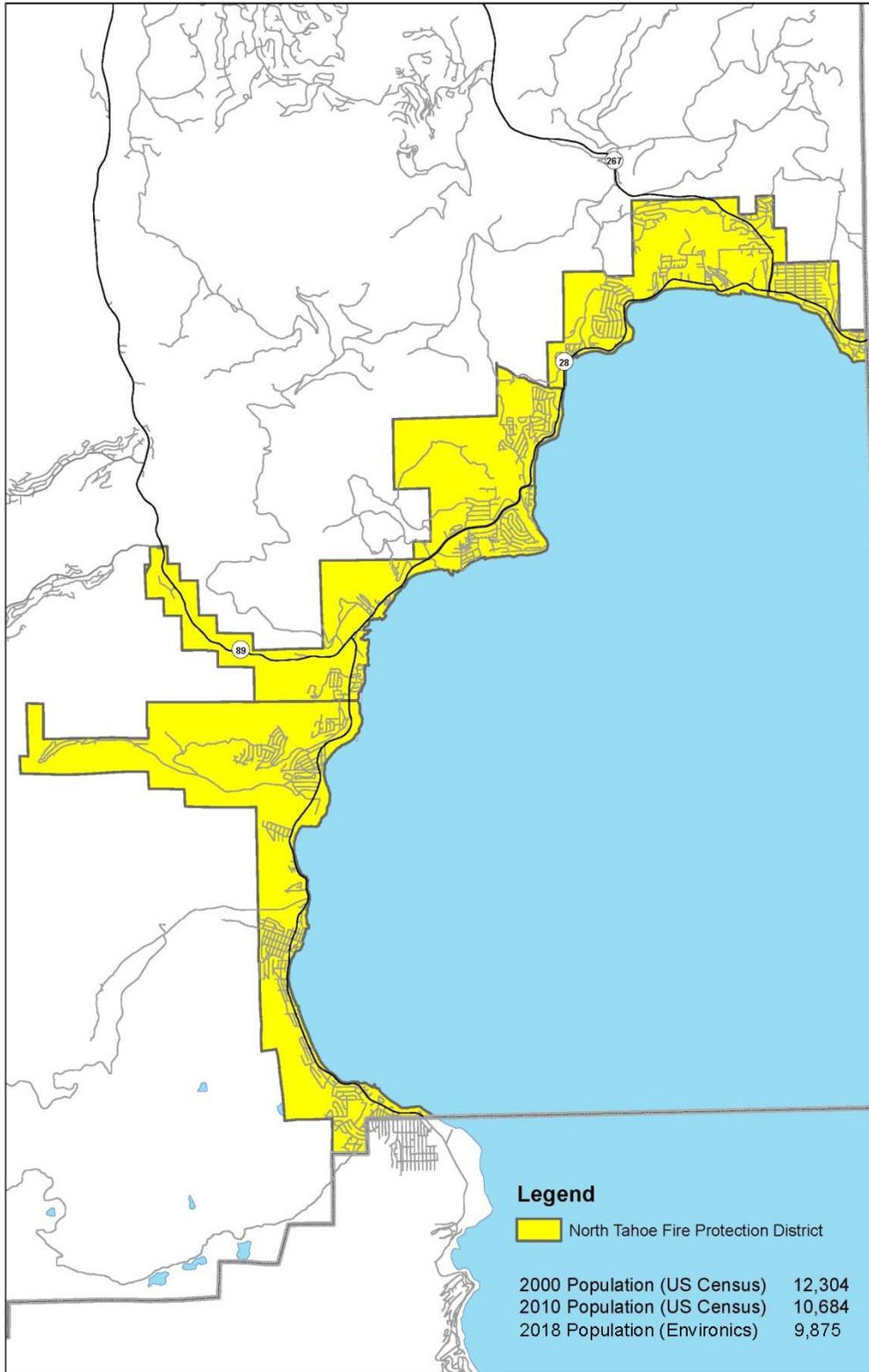
The NTFPD also provides fire protection and related services to residents and employees within the Alpine Springs County Water District ("Water District") through a sixth station located in Alpine Meadows. Costs associated with fire protection facilities and equipment required to serve residents and employees within the Water District are included in the *Alpine Springs County Water District Fire Facilities Impact Fee Study Update*, which is currently being updated. The Alpine Meadows station and the corresponding service population within the Water District are not included in this Fee Study.

PURPOSE OF STUDY

As development occurs within the NTFPD, new or expanded fire facilities will be required to meet the service demands of future development. If adopted, the NTFPD Fire Fee presented in this report will apply to all future development within the District boundary. The NTFPD Fire Fee complies with the Mitigation Fee Act nexus requirements because the NTFPD Fire Fee is calculated to mitigate only the specific impacts that will result from new development in the District.

The NTFPD retained Goodwin Consulting Group, Inc. ("Goodwin") to prepare this *North Tahoe Fire Protection District Update of the Fire Facilities Impact Fee Study*. The NTFPD Fire Fee will be implemented by the NTFPD Board of Directors and Placer County Board of Supervisors through the adoption of a resolution or ordinance. In doing so, the NTFPD Fire Fee will replace the District's current fire fee that is based on the 2013 Fee Study.

NTFPD BOUNDARY MAP



IMPACT FEE NEXUS REQUIREMENTS

Assembly Bill (“AB”) 1600, which was enacted by the State of California in 1987, created Section 66000 et seq. of the Government Code. AB 1600, which created the Mitigation Fee Act, requires that all public agencies satisfy the following requirements when establishing, increasing, or imposing a fee as a condition of approval for a development project:

1. Identify the purpose of the fee
2. Identify the use to which the fee will be put
3. Determine how there is a reasonable relationship between:
 - A. The fee’s use and the type of development project on which the fee is imposed
 - B. The need for the public facility and the type of development project on which the fee is imposed.
 - C. 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.

The assumptions and cost allocation methodology that were used to establish the nexus between the NTFPD Fire Fee and the development on which it will be levied are summarized in the subsequent sections of this report.

II. EXISTING DEVELOPMENT IN THE DISTRICT

The Mitigation Fee Act requires that a reasonable relationship exist between the need for public facilities and the development on which a fee is imposed. The need for public facilities is related to the level of service demanded, which varies in proportion to the amount of development. For this Nexus Study, development is measure by the amount of constructed buildings and measured in terms of building square footage. A review of Placer County’s assessor roll reveals that as of 2018, there were 11,572 buildings and structures totaling approximately 21.2 million square feet of building space in the District. Table 1 summarizes the existing building square footage by land use category.

TABLE 1
EXISTING DEVELOPMENT - BUILDING SQUARE FOOTAGE

Development Type	Total Number of Parcels	Total Building Square Footage
Single Family	10,693	18,691,155
Multi-Family	131	414,294
Commercial	386	1,439,802
Office	74	250,475
Industrial	21	92,113
Warehouse	194	224,970
Institutional	44	91,952
Totals	11,572	21,204,761

Sources: Parcel Quest

III. FIRE PROTECTION FACILITIES AND COST ESTIMATES

The NTFPD Fire Fee program will provide funding for fire protection facilities, including fire stations, vehicles, and equipment. A summary of existing and planned facilities required to serve development in the District is provided below.

EXISTING FIRE FACILITIES

Existing fire protection facilities within the District include five fire stations, as follows:

- Tahoe City Station 51 - Headquarters station of the District located in Tahoe City. This station is a 20,227 square foot station that is a LEED “Gold” certification. The station was constructed in 2012 to meet the administrative needs of the District for the next 50 years; however, it is already reaching capacity.
- Kings Beach Station 52 – Serves the large and dense population at the north end of the District. Built in 1956, Station 52 houses engine companies as well as some administrative offices. The Station has numerous restrictions that will limit the District’s ability to renovate or expand it. Recent commercial developments within the area have placed a greater need to upgrade and remodel the station.
- Homewood Station 53 – Serves the remote southernmost portion of the District. Built in 1962, this station also provides contract EMS and automatic aide for fire response to areas of El Dorado County. This station does not currently meet State of California essential service building requirement; in order to comply with standards, the retrofit costs would be significant. With recent and future development in the Homewood Mountain Resort, considerable strains will be placed on the District.
- Dollar Point Station 54 – Serves both, as a working mechanics shop for the District and storage for response apparatus in the Dollar Point area. Built in 1962, Station 54 is located on a residential lot within a residential neighborhood. A long term plan includes moving the mechanics shop into larger more industrial facility.
- Carnelian Bay Station 55 – Serves the area between Tahoe City and the Kings Beach. Built in 1962, this station is currently adequate for the apparatus assigned. During the summer, Cal Fire staffs this station.

The total estimated cost of the District’s fire stations, land, vehicles, and equipment, based on current values and estimated costs, equals approximately \$25.9 million, as shown below in Table 2.

TABLE 2
SUMMARY OF EXISTING FACILITIES COSTS

Description	Estimated Cost
Stations	\$19,916,859
Vehicles & Equipment	\$5,445,949
Special Equipment	\$580,000
Total	\$25,942,808

Source: North Tahoe Fire Protection District

The estimated cost of the Tahoe City station, which was completed in 2012, is based on actual construction costs, including financing costs. Estimated values of the remaining existing fire stations are based on values provided in the District’s insurance documents. The estimated total value of all five stations, including buildings and land, totals approximately \$19.9 million and is summarized in Table 3 on the following page. An estimated land value of \$1.3 million per acre was provided by the NTFPD and is the land value assumed in this Fee Study for fire station sites.

TABLE 3
EXISTING LAND & BUILDING FACILITIES

	Quantity		Estimated Replacement Costs
<u>Station 51 - Tahoe City</u>			
Land ¹	0.99	acres	--
Building ²	20,279	SF	<u>\$10,514,000</u>
Subtotal			\$10,514,000
<u>Station 52 - Kings Beach</u>			
Land	0.29	acres	\$377,000
Building ³	7,410	SF	<u>\$3,606,262</u>
Subtotal			\$3,983,262
<u>Station 53 - Homewood</u>			
Land	0.35	acres	\$455,000
Building ³	2,310	SF	<u>\$1,124,219</u>
Subtotal			\$1,579,219
<u>Station 54 - Dollar Point</u>			
Land	0.29	acres	\$377,000
Building ³	3,016	SF	<u>\$1,467,812</u>
Subtotal			\$1,844,812
<u>Station 55 - Carnelian Bay</u>			
Land	0.09	acres	\$117,000
Building ³	3,860	SF	<u>\$1,878,566</u>
Subtotal			\$1,995,566
Total Existing Stations Cost			\$19,916,859

¹ Land value is excluded because the land was donated.

² Based on actual costs, including financing costs.

³ Based on insurance policy value.

Sources: North Tahoe Fire Protection District; Special District Risk Management Authority

TABLE 4
EXISTING VEHICLES & EQUIPMENT INVENTORY & COST

Vehicle Type & Make	Estimated Cost	Vehicle Type & Make	Estimated Cost
<i>Type I Engines</i>		<i>Other</i>	
1990 Seagrave Pumper	\$280,000	2003 Chev (506) Tahoe	\$20,000
2003 Spartan Pumper	\$380,000	2001 Ford Expedition	\$20,000
2016 KME Severe Service	\$461,452	2018 Subaru Impreza	\$20,524
2016 KME Severe Service	\$461,542	2018 Subaru Impreza	\$20,524
2017 KME Predator Severe Service	\$481,600	2008 Ford F-150	\$25,500
Subtotal	\$2,064,594	2008 Ford F-150	\$25,500
<i>Type III Engines</i>		M200 Chipper	\$30,000
1992 International Brush Vehicle	\$150,000	2006 Caterpillar Generator	\$30,000
2007 International Brush Vehicle	\$343,000	2015 Ford Explorer	\$30,000
Subtotal	\$493,000	2008 Ford (502) F-250	\$30,000
<i>Other</i>		1922 Seagrave Antique Pumper	\$30,000
2013 PJ - Trailer	\$2,200	2008 Ford (B-5) Expedition	\$31,000
2006 Ford F-450	\$4,500	2005 Caterpillar Dca70	\$33,000
1998 Ford F-150	\$4,500	2009 Ford (500) Expedition	\$33,000
2004 Arrow Trailer	\$4,700	2016 Ford F-250	\$35,000
1985 Cook Trailer	\$5,000	2016 Ford F-250	\$35,782
2010 Snowmobile Trailer	\$7,349	2008 Ford F-450	\$41,000
2011 Wells Cargo - Pio Trailer	\$8,669	M213 Bandit Chipper	\$41,500
2011 Wells Cargo - Pio Trailer	\$8,669	2018 Ford Explorer	\$43,091
2007 Carson Dt122	\$9,000	2018 Ford F-250	\$63,179
2001 Ford F-350	\$10,000	2004 Ford F-350	\$80,000
John Deere Loader	\$10,000	2014 Ford Braun	\$94,623
2011 Skidoo Snowmobile	\$12,000	2010 Ford F-350	\$97,000
2012 Skidoo Snowmobile	\$12,000	2011 Ford F-350	\$98,500
2009 Snake River Trailer	\$13,150	2006 Bauer	\$100,000
M250 American Signal	\$15,000	2012 Ford Braun	\$101,459
M251 American Signal	\$15,000	2013 Caterpillar Loader	\$102,209
2013 Polaris UTV	\$16,283	2012 Ford (Mech Vehicle) F-550	\$108,000
1999 Ford F-250	\$20,000	2014 Dodge North Star	\$150,251
1998 Ford F-150	\$20,000	2015 Dodge North Star	\$161,614
1998 Ford F-150	\$20,000	2017 Dodge North Star	\$168,765
		2004 Kenworth	\$355,000
		2019 International Workstar	\$414,314
		Subtotal	\$2,888,355
Total Existing Vehicles & Equipment Cost			\$5,445,949

Source: North Tahoe Fire Protection District; Special District Risk Management Authority

Existing fire protection facilities also include vehicles and equipment. An inventory and estimated values for existing vehicles and equipment are presented in Table 4. Based on information provided by the NTFPD, the cost of existing vehicles and equipment is approximately \$5.4 million.

The cost of furniture fixtures and equipment at existing fire stations are shown below in Table 5 and are based on estimates from the Districts insurance documents. The total cost of these items is approximately \$580,000.

TABLE 5
NTFPD FURNITURE FIXTURES AND EQUIPMENT

Description	Estimated Cost
<u>Station 51 - Tahoe City</u>	
Building Contents	\$200,000
Subtotal	<u>\$200,000</u>
<u>Station 52 - Kings Beach</u>	
Building Contents	\$100,000
Subtotal	<u>\$100,000</u>
<u>Station 53 - Homewood</u>	
Building Contents	\$40,000
Subtotal	<u>\$40,000</u>
<u>Station 54 - Dollar Point</u>	
Building Contents	\$200,000
Subtotal	<u>\$200,000</u>
<u>Station 55 - Carnelian Bay</u>	
Building Contents	\$40,000
Subtotal	<u>\$40,000</u>
Total Furniture, Fixtures, and Equipment Cost	\$580,000

Source: North Tahoe Fire Protection District

PLANNED FIRE FACILITIES TO ACCOMMODATE NEW GROWTH

NTFPD analyzed the future fire facilities needed to serve development within the District. Based on that analysis, NTFPD determined that the Kings Beach, Homewood, and Dollar Point

fire stations need to be upgraded and expanded to serve future growth anticipated in those areas. At the time, the Carnelian Bay fire station and the recently reconstructed Tahoe City fire station will be able to adequately serve the future development expected in these areas.

**TABLE 6
PLANNED NTFPD FACILITIES**

Description	Estimated Units	Cost per Unit	Total Cost ¹
<i><u>New Fire Stations</u></i>			
Station 52 - Kings Beach	9,813 SF	\$582	\$5,710,000
Station 53 - Homewood	7,165 SF	\$582	\$4,169,000
Station 54 - Dollar Point	6,000 SF	\$582	\$3,500,000
Subtotal			\$13,379,000
<i><u>Future Capital Improvements</u></i>			
Station 51 - Tahoe City			\$150,000
Station 52 - Kings Beach			\$300,000
Station 53 - Homewood			\$225,000
Station 54 - Dollar Point			\$75,000
Station 55 - Carnelian Bay			\$225,000
Station 54 - Dollar Point - Upgrade Mechanics Shop			\$300,000
Eastern Placer Chiefs JPA Regional Training Center			\$350,000
Subtotal			\$1,625,000
Total New Facilities and Improvements			\$15,004,000

¹ The per-square foot cost for fire stations is based on the ENR adjusted average construction cost, excluding financing costs, for Station 51, which was constructed in 2012.

² This is the NTFPD's share of the total cost associated with the training center.

Sources: North Tahoe Fire Protection District; Goodwin Consulting Group, Inc.

Due to the type of construction of the Kings Beach, Homewood, and Dollar Point stations, the District determined that a modular expansion for each station is impractical because the existing

stations do not meet current seismic requirements. Consequently, new stations are planned for the existing Kings Beach and Homewood sites. The Dollar Point station will need to be upgraded to house a full-time staff. The long term plan includes relocating the Dollar Point mechanics shop to a more industrial facility.

Table 6 shows a breakdown of costs for the three stations, which total approximately \$13.4 million. Kings Beach and Homewood stations are anticipated to be constructed on their current locations, while Dollar Point is anticipated to move the mechanics shop into a larger more industrial facility. Estimated construction costs for the new stations are based on the Tahoe City station construction cost, inflated to current 2018 dollars using an ENR inflation index.

In addition, the District determined future capital improvements for each station that will be needed to serve future growth. Table 6 shows the costs range from \$150,000 for Station 51 to \$375,000 for Station 54. A central fire and rescue training facility located at the Truckee Tahoe Airport is also included. This training facility will be shared by five regional fire districts, and the listed \$350,000 is the District's assigned share of the total cost for this facility. The total estimated cost for the future capital improvements is approximately \$1.6 million. Overall, approximately \$15.0 million in planned facilities will be needed to serve existing and future growth in the District.

IV. FIRE FEE CALCULATION METHODOLOGY

When impact fees are calculated, an analysis must be presented in enough detail to demonstrate that logical and thorough consideration was applied in the process of determining how the fee relates to the impact created by new development. Various findings pursuant to the Mitigation Fee Act must be made to ensure that there is a reasonable relationship between the amount of the fee and the impact on the facilities from development on which that fee will be levied. The following section of the report outlines the methodology used in this Fee Study to calculate the NTFPD Fire Fee.

FEE METHODOLOGY

A standard-based approach was used in this Nexus Study to calculate the Fire Fee. With a standard-based approach, the cost of all existing facilities is allocated to all existing development in the District. To ensure that all costs are relative in today's dollars, existing facilities are valued at replacement cost. Dividing the total cost of all facilities by the total sum of all development in the District produces a uniform fee that allocates a fair share of the facilities cost among all development in the District.

In this Nexus Study, development is represented by improved property, and specifically constructed building space. It is reasonable to assume that as more building space is constructed throughout the District, the level of responsibility of the District to service and protect the buildings and its occupants grows. With this growth, there is a clear need for the District to construct, expand, and purchase additional fire facilities and apparatus to serve the development. As such, a fee that is proportional to the size of the building represents a reasonable relationship between the development and the cost of the facilities required to serve the development.

V. NEXUS FINDINGS AND NTFPD FIRE FEE

Future development in the NTFPD will create demand for fire protection facilities that will serve future residents and employees. The NTFPD Fire Fee program will fund future development's fair share of costs to construct three fire stations located in the Kings Beach, Homewood, and Dollar Point areas of the District as well as other future capital improvements. The NTFPD Fire Fee, as calculated in this Fee Study meets the Mitigation Fee Act nexus requirements, as outlined below.

Purpose of Fee

The purpose of the NTFPD Fire Fee is to fund the fire facilities identified in this Fee Study that are needed to mitigate the impacts from new development in the NTFPD.

Use of Fee

NTFPD Fire Fee revenue will be used to fund the fire facilities needed to provide fire protection service. These facilities and their corresponding costs and values are presented in Tables 3 through 6 of this Fee Study.

Reasonable Relationship Between the Fee's Use and the Type of Development

As additional residential and nonresidential buildings are constructed in the District, the additional demand for emergency services placed on the District will require that additional fire facilities, apparatus, and equipment are constructed or purchased. Fee revenue generated by the Fire Fee will be used to purchase these facilities. Development impact fee revenue is the District's primary funding source of capital facilities.

Reasonable Relationship Between the Need for the Facility and the Type of Development

New residential and nonresidential development in the NTFPD will generate buildings and structures that will require fire protection services. New development will require additional and upgraded fire facilities to maintain the existing level of service and to provide fire protection and emergency services to the developing areas in the NTFPD. In order to maintain the NTFPD's current level of fire protection service, the NTFPD must upgrade and reconstruct three fire stations in Kings Beach, Homewood, and Dollar Point, as well as purchase future capital improvements for each of the District's stations.

Reasonable Relationship Between the Amount of the Fee and the Cost of the Facility

The relationship between the amount of the fee and the portion of the facility cost attributable to the development type is based on building square footage. The larger the development, the more building square footage it will contain. Also, more building square footage means more residents and employees can be housed in the building. The bigger the size of the development most likely means that more fire related services will be needed than a smaller building or development. Therefore it is entirely reasonable to relate the amount of the Fire Fee to the size or amount of building square footage, as is done in this Nexus Study. In applying the fee calculation methodology used in this Nexus Study, the amount of the Fire Fee is reasonably related to the portion of the facility (and its cost) that is attributable to the development

NTFPD FIRE FEE CALCULATION

Table 7 details the calculation of the NTFPD Fire Fee. Dividing the fire facilities cost of approximately \$25.9 million by the estimated 21.2 million square feet in the District equals a cost of \$1.22 per building square foot.

**TABLE 7
NTFPD FIRE FACILITIES COST
PER BUILDING SQUARE FOOT**

Fire Facilities Cost	\$25,942,808
Total Developed Square Feet	21,204,761
Cost per Building Square Foot	\$1.22

NTFPD FIRE FEES

A summary of the proposed NTFPD Fire Fee is presented below in Table 8; the NTFPD Fire Fee includes a 2.0% administration fee mark-up that will be used to fund costs associated with administering the NTFPD Fire Fee program. This fee will fund fee study updates, accounting, and annual reporting required by the Mitigation Fee Act. The proposed fees are approximately a 15% increase over the District's current residential fire fees.

**TABLE 8
NTFPD FIRE FEE SUMMARY**

Land Use	Proposed Fee per SF	Administration Fee (2%)	Total Fee per SF
<i>Residential</i>	\$1.22	\$0.02	\$1.24
<i>Nonresidential</i>			
Commercial	\$1.22	\$0.02	\$1.24
Office	\$1.22	\$0.02	\$1.24
Industrial	\$1.22	\$0.02	\$1.24

PROPOSED INCREMENTAL FIRE FEE INCREASES

In an effort to mitigate the impact of the fee increase, the NTFPD has proposed to spread the fee increase over two years. Table 9 on the following page shows the proposed fee increases over the next two years. The new fee increases would become effective in January of 2019 and 2020.

**TABLE 9
NTFPD FIRE FEE INCREMENTAL INCREASES**

Land Use	2019 Fee per SF	2020 Fee per SF
<i>Residential</i>	\$1.17	\$1.24
<i>Nonresidential</i>		
Commercial	\$0.99	\$1.24
Office	\$1.09	\$1.24
Industrial	\$0.93	\$1.24

VI. PROGRAM IMPLEMENTATION AND ADMINISTRATION

FEE IMPLEMENTATION

According to the California Government Code, prior to levying a new fee or increasing an existing fee, an agency must hold at least one open and public meeting. At least ten days prior to this meeting, the agency must make data on infrastructure costs and funding sources available to the public. Notice of the time and place of the meeting, and a general explanation of the matter, are to be published in accordance with Section 6062a of the Government Code, which states that publication shall occur twice, with at least five days intervening, commencing at least ten days before the hearing, in a newspaper regularly published once a week or more.

The NTFPD Fire Fee will need to be approved by the NTFPD Board of Directors and the Placer County Board of Supervisors through a fee resolution or ordinance to adopt the proposed NTFPD Fire Fee. The resolution or ordinance authorizing and establishing the NTFPD Fire Fee will then be adopted by the Placer County Board of Supervisors. Once the last action associated with adopting the NTFPD Fire Fee is completed, the NTFPD Fire Fee shall then become effective sixty days later.

ANNUAL INFLATION UPDATE

The NTFPD Fire Fees may be adjusted in future years to reflect revised facility costs or receipt of funding from alternative sources. In addition to such adjustments, in January of each calendar year, or another date, as designated by the NTFPD, the cost estimates and the NTFPD Fire Fees will also be adjusted by the average increase in the Construction Cost Index (“CCI”) as reported in the *Engineering News Record* magazine for the 12-month period ending October of the previous year. For example, the adjustment for January 2020 will be determined by calculating the increase from October 2018 to October 2019 in the CCI. The resulting increase will be the adjustment factor that will be applied to the NTFPD Fire Fees in January 2020. The increased fees may be adopted through a resolution or ordinance.

FEE STUDY UPDATES

The Fee Study will be subject to periodic update based on changes in developable land, land uses, facilities and land costs, or economic conditions. The NTFPD should periodically review the costs, fees, and account balances to determine if an update to the NTFPD Fire Fee is

warranted. During the periodic reviews, the NTFPD may analyze the following items that would impact the NTFPD Fire Fee program:

- Changes to the required fire facilities included in the NTFPD Fire Fee program
- Changes in land costs
- Changes in the cost to administer the NTFPD Fire Fee

ADMINISTRATION FEE COMPONENT OF THE NTFPD FIRE FEE

The NTFPD Fire Fee includes an administration fee component equal to 2.0% of facilities costs. Based on its experience administering past fire fee programs, the 2.0% fee rate should be sufficient to cover its cost of administering the NTFPD Fire Fee program. The NTFPD should monitor its administration costs in the following years and adjust the rate as necessary.

VII. ANNUAL AND FIVE-YEAR REPORTING REQUIREMENTS

Government Code Sections 66001 and 66006 require local agencies to submit annual and five-year reports detailing the status of development impact fees. Annual reports must be made available to the public no later than 180 days after the end of the fiscal year and must be presented to the City Council at least fifteen days after it is made available to the public.

For the five year report, Government Code Section 66001 (d) states that for the fifth fiscal year following the first deposit into the account(s) or fund(s) and every five years thereafter, the local agency shall make certain findings with respect to that portion of the account or fund that remains unexpended. This chapter of the report presents the annual report for fiscal year 2017-18 as well as the five-year report.

Annual Report Pursuant to Government Code 66006

1) Brief Description of the Fees

Fire fees are levied on development in NTFPD to fund capital improvements including fire facilities, apparatus and equipment, as presented in this Fee Study.

2) The amount of the fee

Table 8 in this report shows the NTFPD's fee schedule.

3) Beginning and ending balance in the fee account

Beginning and ending fire fee fund balance for fiscal year 2017-18 are shown in the table below.

Fund Balance - FY 2017-18

Fund	July 1, 2017	June 30, 2018
Fire Fee Fund	\$14,908	\$26,615

4) Amount of fees collected and interest earnings

Fees collected and interest earned for fiscal year 2017-18 are shown in the table below.

Fees Collected and Interest Earned - FY 2017-18

<u>Fund</u>	<u>Fees</u>	<u>Interest</u>
Fire Fee Fund	\$120,262	\$1,445

5) An identification of each public improvement on which fees were expended in FY 2017-18 and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.

\$110,000 of fee revenue was spent on loan debt service for Station 51.

6) An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete the financing on an incomplete public improvement.

NTPFD has not identified any public improvements that have sufficient funds to complete the financing on an incomplete public improvement in fiscal year 2017-18.

7) A description of each interfund transfer or loan made from this account.

No interfund transfers or loans were made from the fire fee fund in FY 2017-18

8) Refunds made in FY 2017-18 pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (e) of Section 66001.

None

Five-Year Report Pursuant to Government Code 66001

1) Identify the purpose to which the fee is to be put.

The purpose of the mitigation fee revenues, totaling approximately \$26,615 as of June 30, 2018, is to fund the various public facilities identified in this Nexus Study. These

facilities have been identified by NTFPD staff as required to mitigate the impacts on facilities from new development. These facilities include improvements to fire stations, apparatus, vehicles, and equipment that will serve residential and nonresidential development in the NTFPD. Descriptions of these facilities and their costs are presented in this Nexus Study.

2) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.

The Fee Study demonstrates that a reasonable relationship exists between the fee and the purpose for which it is charged. New development in the NTFPD will generate a need for additional capital facilities. The total \$26,615 remaining in existing fee accounts as of June 30, 2018 will be used to fund a fair-share portion of these capital facilities to serve new residential and non-residential development in the District.

3) Identify all sources and amount of funding anticipated to complete financing in incomplete improvements identified in paragraph (2) of subdivision (a) of Section 66001.

Funding for fire facilities included in the fire fee program will come primarily from fire fee revenue.

4) Designate the approximate dates on which the funding is expected to be deposited into the appropriate fund.

The fire stations, apparatus and equipment identified in this Fee Study will be purchased when enough fire fee revenue is collected from development in the District. Unfortunately, growth in the District cannot be predicted with any certainty and as a result, the District does not know when a sufficient amount of fire fee revenue will be collected to purchase the fire apparatus and equipment.