FIRE FACILITIES IMPACT FEE STUDY

GREENFIELD FIRE PROTECTION DISTRICT

FINAL

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Greenfield Fire Protection District Fire Facilities Impact Fee Study

Introduction

This report summarizes an analysis of the need for fire facilities by the Greenfield Fire Protection 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 along Highway 101 in Monterey County between the King City and the City of Soledad. 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 County currently has a fire facility impact fee in place, which was last calculated in 1992. 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 continue to transition from what was a primarily volunteer district towards an increasingly career staffed district. 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 for career personnel (e.g., sleeping quarters). The District's other funding sources will increasingly be needed to address operational needs.

The District's boundaries encompass the entire incorporated City of Greenfield as well as some surrounding unincorporated areas. The District's boundaries are contiguous with the City of Greenfield's sphere of influence (SOI). For development within the City limits, the City of Greenfield will need to adopt this fire facilities impact fee. 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 on the District's unincorporated area. This report provides the necessary documentation for both the Monterey County Board of Supervisors and City of Greenfield's City Council to adopt a fire facilities impact fee for imposition within the District 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 2013 and 2035. 2013 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: Greenfield FPD Service Population

	A Persons	B Weighting Factor	A x B = C Service Population
Residents			
Existing (2013)	17,000	1.00	17,000
New Development (2013-2035)	6,600	1.00	6,600
Total (2035)	23,600		23,600
Workers			
Existing (2013)	5,182	0.69	3,600
New Development (2013-2035)	2,718	0.69	1,900
Total (2035)	7,900		5,500
Combined			
Existing (2013)			20,600
New Development (2013-2035)			8,500
Total (2035)			29,100

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

Sources: Greenfield FPD; CA Employment Development Department (EDD); CA Department of Finance; LAFCO of Monterey County, Final 2012 Fire Protection & EMS Service Review & Sphere Update; AMABG, 2013; Willdan Financial Services.

The estimates of existing residents within the District are from the California Department of Finance. The City of Greenfield was used as a proxy for the District, adjusted for a small amount of existing development in the unincorporated area. Existing workers were provided by the California Employment Development Department (EDD) based on a GIS shapefile of the District's boundaries. Future population and employment are based on projections for the City of Greenfield by Monterey County LAFCo. This study assumes that the development that is in the unincorporated portion of the District will be *de minimis*.

To calculate service population for fire protection facilities, residents are weighted at 1.00. Willdan calculated a worker demand factor of 1.69 for workers in the District is based on an analysis of calls for service, categorized by land use, in the District for 2010, 2011 and 2012. Total calls to residential areas are divided by the residential population to yield an annual calls-per-resident factor. Dividing total calls to nonresidential areas by population yields an annual calls-per-worker factor. The ratio of the worker per capita factor to the residential per capita factor is the worker demand factor.

The high worker demand factor calculated based on the District's call data is not typical of worker demand for fire services in California. As such, Willdan assumes that the exclusion of seasonal employees who are not reflected in the EDD base year estimates of employment can explain the high factor. To compensate, this analysis assumes a worker weighting factor of 1.0 workers to 1.0 residents.

The ratio of the worker per capita factor to the resident per capita factor is the worker demand factor shown in **Table 1**.

Using this weighting factor, the total existing service population for the District is estimated at about 22,200 as shown in Table 1. The projected 2035 service population is substantially larger at 31,500. The increase in service population due to new development is approximately 9,300.

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.

- **Single family:** Detached and attached one-unit dwellings.
- **Multi-family:** All attached multi-family dwellings including duplexes and condominiums.
- **Commercial:** All commercial, retail, educational, and hotel/motel development.
- **Office:** All general, professional, and medical office development.
- **Industrial:** All manufacturing and warehouse development.
- **Institutional:** Private education and museum development.

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

The City 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 dwelling units or 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 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 factors are based on data for the City of Greenfield from the US Census' 2011 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 Greenfield, 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

Residential		
Single Family	4.53	Residents per dwelling unit
Multi-family	4.12	Residents per dwelling unit
Mobile Home	1.75	Residents per dwelling unit
Nonresidential		
Commercial	3.75	Employees per 1,000 square feet
Office	1.29	Employees per 1,000 square feet
Industrial	1.15	Employees per 1,000 square feet
Institutional	3.33	Employees per 1,000 square feet

Sources: US Census, 2011 American Community Survey, Tables B25033 and B25024; The Natelson Company, Inc., Employment Density Study Summary Report, October 31, 2001; Fishkind and Associates; Willdan Financial Services.

Existing Fire Facilities

The District's inventory of existing and planned 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 3 through 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 3, 4 and 5 include the following:

- ***Land cost per acre***. Estimated cost per acre based on recent appraisals for land in Greenfield provided by the City of Greenfield.
- ***Buildings***. Estimated replacement costs provided by the District.
- ***Apparatus/Vehicles***. Estimated replacement cost of apparatus, vehicles and equipment carried on apparatus provided by the District.
- ***Special/Equipment***. Estimated replacement costs provided by the District.

Table 3 highlights the District's existing inventory of land and buildings. The District currently serves the entire service area from one fire station located in the City of Greenfield. The estimated replacement cost of the facilities is approximately $4.8 million.

Table 3: Existing Land and Building Facilities

	Amount	Unit Cost	Total Cost
Fire Station - 380 Oak Avenue			
Land	1.26 acres	$ 177,000	$ 223,000
Building	7,600 sq. ft.	600	4,560,000
Total Value - Existing Station			$ 4,783,000

Sources: Stephen Brown Associates, Inc, 2013; Greenfield Fire Protection District.

Table 4 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 $608,000 worth of fire protection vehicles and apparatus.

Table 4: Existing Apparatus and Equipment Inventory and Valuation

Vehicle Type and Make	Unit ID #	Vehicle[1]	Equipment[1]	Total
Type I Engines				
2003 Ferrera Inferno	8411	$ 285,000	$ 65,000	$ 350,000
1996 Pierce	8421	35,000	25,000	60,000
Subtotal, Other Vehicles		$ 320,000	$ 90,000	$ 410,000
Type III Engines				
1996 Firetech	8431	$ 50,000	$ 25,000	$ 75,000
2009 Ford 550	8432	90,000	15,000	105,000
Subtotal, Other Vehicles		$ 140,000	$ 40,000	$ 180,000
Other Vehicles				
2000 Ford Expidition	8400	$ 8,000	$ 10,000	$ 18,000
Total All Vehicles & Equipment		$ 468,000	$ 140,000	$ 608,000

[1] Value based on estimated current replacement value.

Source: Greenfield Fire Protection District.

Table 5 provides the inventory of special protective gear, communications equipment, training equipment, and other miscellaneous equipment shared by all stations. Replacement cost estimates were provided by the District for these items.

Table 5: Greenfield Fire Protection District Special Equipment Inventory

Description		Total
Computers and Office Electronics	$	6,000
Base Radio		3,900
Personal Protectice Clothing		125,000
Back up Generator		60,000
Kitchen Applicances		3,300
Office Furnishings		2,500
Shop Tools		1,500
Self Contained Compressor and Fill Station		16,500
Station Furnishings		5,500
Uniforms		13,300
Pagers		11,300
Hose		23,700
Turnout Washing Machine		5,000
Total Miscellaneous Equipment	$	277,500

Note: All values based on current replacement value. Does not include equipment on engines (see Table 4). Rounded to 100s.

Source: Greenfield Fire Protection District.

Table 6 summarizes the estimated value of the District's existing inventory of fire facilities, as shown in Tables 3, 4 and 5. The District currently owns the equivalent of approximately $5.7 million in fire protection facilities, apparatus and equipment to meet the needs of its existing service population.

Table 6: Existing Facilities Summary

Description		Value
Stations	$	4,783,000
Apparatus		608,000
Other Equipment		277,500
Total	$	5,668,500

Sources: Tables 3, 4 and 5, Willdan Financial Services.

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 an additional station will be needed in the near future. 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 documentation 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.

Currently the District anticipates needing an expansion to the existing fire station and a new 750 gallon fuel tank to adequately serve new development. The cost assumptions for this station as well as the apparatus and equipment needed to properly equip the station are shown in Table 7. The building construction cost estimate is based on the replacement cost of the existing fire station.

The District provided the planned vehicle inventory and the associated cost estimates. All vehicle cost estimates include all associated onboard equipment.

Table 7: Greenfield Fire Protection District Planned Fire System Facilities

	Amount	Units	Unit Cost	Total Cost
Addition to Existing Station				
Building[1]	1,700	Sq. ft.	$ 600	$ 1,020,000
750 Gallon Fuel Tank, Above Ground[2]	1	Tank	60,000	60,000
				$ 1,080,000
Vehicles and Apparatus				
Type 1 Engine	3	Engines	$ 600,000	$ 1,800,000
Type 1 Water Tender	1	Water Tender	300,000	300,000
Command Unit	1	Command Uni	45,000	45,000
Used ARFF mini pumper foam unit	1	Pumper	125,000	125,000
Subtotal - Vehicles and Apparatus				$ 2,270,000
Equipment				
SCBA	25	SCBA	3,500	$ 87,500
Fire Hose (5" Storz Coupling 50')	20	Hoses	425	8,500
Fire Hose (1.75" Attack Hose 50')	32	Hoses	325	10,400
Fire Hose (1.50" Wildland 100' single jacket)	20	Hoses	110	2,200
Fire Hose (1" Wildland 100' single jacket	20	Hoses	100	2,000
Wildland Personal Protective Clothing	25	Turnouts	1,700	42,500
Wildland Tools	20	Tool sets	75	1,500
Computers office Electronics	NA			5,000
Furniture	NA			6,000
Subtotal - Vehicles and Apparatus				$ 165,600
Total Value of Planned Facilities				**$3,515,600**

[1] Includes dayroom, exercise room, three bedrooms, study, and emergency operations center.
[2] 500 gallons diesel, 250 gallons gasoline.

Source: Greenfield FPD.

Fire Facility Standards

The fire facilities impact fees calculated in this report are based on an existing facilities standard approach. To calculate the existing standard, the total value of all fire protection facilities is divided by the existing service population. The resulting cost per capita standard represents the level of investment that the impact fee must recover per person in order to maintain the existing level of service within the District. The District's facilities standard (calculated on a cost per capita basis) is shown in **Table 8**.

Table 8: Fire Protection Facilities Existing Standard

Value of Existing Facilities	$	5,668,500
Existing Service Population		20,600
Cost per Capita	$	275
Facility Standard per Resident	$	275
Facility Standard per Worker[1]		190

[1] Based on a weighing factor of 0.69.

Sources: Tables 1 and 6; Greenfield FPD; Willdan Financial Services.

The allocation of costs for planned facilities to new development within the District is shown in **Table 9**. The bottom line of Table 9 shows that to complete future facilities as currently planned there is a need for $1.2 million in revenue from non-fee funding sources. If the District does not make this level of investment in addition to future impact fee revenue, then the planned facility standard will not be realized.

Table 9: Revenue Projection - Existing Standard

Cost per Capita	$	275
Service Population Growth		8,500
Fee Revenue	$	2,338,000
Net Cost of Planned Facilities	$	3,515,600
Difference	$	(1,177,600)

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

Alternative Funding Sources

The District does not anticipate developing any other on-going sources of revenue for capital facilities besides impact fees and existing General Fund revenue. General Fund revenue is derived from the District's share of the constitutionally imposed one percent property tax rate. 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.

The District recognizes that non-fee revenues will be needed to fund a portion of the planned facility costs. The District has already begun taking steps to designate alternative funds from other sources in its annual budgeting process.

Fee Schedule

Table 10 shows the maximum justified fire protection facilities fee schedule. The cost per capita 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. 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 not an impact fee; rather, it is a user fee. 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 10: Maximum Justified Fire Protection Facilities Fee

Land Use	A Cost Per Capita	B Density	C = A x B Base Fee[1]	D = C x 0.02 Admin Charge[1, 2]	E = C + D Total Fee[1]	F = E / 1,000 Fee per Sq. Ft.
Residential						
Single Family	$ 275	4.53	$ 1,246	$ 25	$ 1,271	
Multi-family	275	4.12	1,133	23	1,156	
Mobile Home	275	1.75	481	10	491	
Nonresidential						
Commercial	$ 190	3.75	$ 713	$ 14	$ 727	$ 0.73
Office	190	1.29	245	5	250	0.25
Industrial	190	1.15	219	4	223	0.22
Institutional	190	3.33	633	13	646	0.65

[1] Persons per dwelling unit or per 1,000 square feet of nonresic

[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.

Sources: Tables 2 and 8; Greenfield FPD; 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 and the Greenfield City Council for the authority. In addition, to implement the fee the District, in cooperation with the City and 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.

For inflation indexes, the District may wish to rely on the cost of living index used by the City of Greenfield for fee inflation. Typically, an inflation index can be based on the District's recent capital project experience or from any reputable published source, such as the Consumer Price Index or 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 City of Greenfield (City) and County of Monterey (County) on behalf of the Greenfield Fire Protection 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 City and County must:

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

The growth management element of the *Greenfield 2005 General Plan* indicates that the City wishes to ensure that new development pays for its fair share of fire protection facilities through the imposition of fire facilities impact fees. The purpose of the Greenfield Fire Protection District fire facilities impact fee is to implement this policy by providing a funding source from new development for capital improvements to serve that development. The fee advances a legitimate interest of the City 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 City and County 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 Greenfield Fire Protection District boundaries:

- 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. Other planning documents may provide additional details and proposed timing for construction/acquisition of the facility.

Benefit Relationship

For the third finding the City and County 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 City and County 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 provides an indicator of the demand for the facilities needed to accommodate growth. Service population is calculated based on residents 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 2035. Facilities standards represent the level of service that the District plans to provide its residents and businesses in 2035. Standards are based on the District's total existing and planned facilities allocated across the District's total service population in 2035.

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 City and County 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.