FIRE FACILITIES IMPACT FEE STUDY UPDATE

NEVADA COUNTY CONSOLIDATED FIRE DISTRICT

ADMINISTRATIVE DRAFT
AUGUST 9, 2023

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Executive Summary

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 capacity-expanding facilities to serve that development.

The District is a rural fire protection district located in Nevada County, California. 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.

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.

Facility Standards and Costs of Growth

This fee analysis uses the **existing inventory** approach to estimate future facility needs and costs associated with new development. This approach is based on a facility standard derived from the District's existing level of facilities and existing demand for services. This approach results in no facility deficiencies attributable to existing development. Only the initial facilities to be funded with fees are identified in the fee study. Future facilities to serve growth will be identified through the District's annual capital improvement plan and budget process and/or completion of a new facility master plan.

Fee Schedule Summary

Table E.1 summarizes the schedule of maximum justified fire facilities impact fees based on the analysis contained in this report. The District can adopt any fee up to those shown in the table.

Table E.1: Maximum Justified Fee Schedule

	Districtwide Fee per Sq. Ft.	Non-Hydrant Area Surcharge per Sq. Ft.
Residential Dwelling Unit	$ 0.63	$ 0.04
Nonresidential		
Commercial	$ 1.21	$ 0.08
Office	1.15	0.07
Industrial	0.63	0.04
Agricultural	0.02	-

Sources: Tables 10.a and 10.b.

1. Introduction

This report presents an analysis of the need for fire protection facilities to accommodate new development in the Nevada County Consolidated Fire District ("District"). This chapter explains the study approach and summarizes results under the following sections:

- Background and Study Objectives
- Public Facilities Financing in California
- Study Methodology
- Impact Fees for Accessory Dwelling Units
- Organization of the Report

Background and Study Objectives

The primary policy objective of a development impact fee program is to ensure that new development pays the capital costs associated with growth. The primary purpose of this report is to determine the appropriate development impact fee levels to impose on new development to maintain the District's facilities standards for fire protection facilities. The District should review and update this report and the calculated fees at least once every eight years to incorporate the best available information.

The District imposes development impact fees under authority granted by the *Mitigation Fee Act* (*Act*), contained in *California Government Code Sections 66000 et seq*. Currently, the District does not charge impact fees to fund fire protection facilities. This report provides the necessary findings required by the Act for adoption the fire protection facilities development impact fees presented in the fee schedules contained herein.

The District is forecast to experience moderate growth through this study's planning horizon of 2045. This growth will create an increase in demand for public services and the public facilities required to deliver them. The District uses a development impact fee program to ensure that new development funds the share of facility costs associated with growth. This report makes use of the most current available growth forecasts and facility plans to calculate a development impact fee schedule for fire protection facilities, to fund new development's fair share of future facilities.

Public Facilities Financing in California

The changing fiscal landscape in California during the past 45 years has steadily undercut the financial capacity of local governments to fund infrastructure. Three dominant trends stand out:

- The passage of a string of tax limitation measures, starting with Proposition 13 in 1978 and continuing through the passage of Proposition 218 in 1996;
- Declining popular support for bond measures to finance infrastructure for the next generation of residents and businesses; and
- Steep reductions in federal and state assistance.

Faced with these trends, many cities and counties have adopted a policy of "growth pays its own way." This policy shifts the burden of funding infrastructure expansion from existing taxpayers onto new development. This funding shift has been accomplished primarily through the imposition of assessments, special taxes, and development impact fees also known as public facilities fees. Assessments and special taxes require the approval of property owners and are appropriate

when the funded facilities are directly related to the developing property. Development fees, on the other hand, are an appropriate funding source for facilities that benefit all development jurisdiction-wide. Development fees need only a majority vote of the legislative body for adoption.

Study Methodology

Development impact fees are calculated to fund the cost of facilities required to accommodate growth. The six steps followed in this development impact fee study include:

1. **Estimate existing development and future growth:** Identify a base year for existing development and a growth forecast that reflects increased demand for public facilities;
2. **Identify facility standards:** Determine the facility standards used to plan for new and expanded facilities;
3. **Determine facilities required to serve new development:** Estimate the total amount of planned facilities, and identify the share required to accommodate new development;
4. **Determine the cost of facilities required to serve new development:** Estimate the total amount and the share of the cost of planned facilities required to accommodate new development;
5. **Calculate fee schedule:** Allocate facilities costs per unit of new development to calculate the development impact fee schedule; and
6. **Identify alternative funding requirements:** Determine if any non-fee funding is required to complete projects.

The key public policy issue in development impact fee studies is the identification of facility standards (step #2, above). Facility standards document a reasonable relationship between new development and the need for new facilities. Standards ensure that new development does not fund deficiencies associated with existing development.

Types of Facility Standards

There are three separate components of facility standards:

- *Demand standards* determine the amount of facilities required to accommodate growth, for example, park acres per thousand residents, square feet of library space per capita, or gallons of water per day. Demand standards may also reflect a level of service such as the vehicle volume-to-capacity (V/C) ratio used in traffic planning.
- *Design standards* determine how a facility should be designed to meet expected demand, for example, park improvement requirements and technology infrastructure for office space. Design standards are typically not explicitly evaluated as part of an impact fee analysis but can have a significant impact on the cost of facilities. Our approach incorporates the cost of planned facilities built to satisfy the District's facility design standards.
- *Cost standards* are an alternate method for determining the amount of facilities required to accommodate growth based on facility costs per unit of demand. *Cost standards* are useful when demand standards were not explicitly developed for the facility planning process. *Cost standards* also enable different types of facilities to be analyzed based on a single measure (cost or value) and are useful when different facilities are funded by a single fee program. Examples include facility costs per capita, cost per vehicle trip, or cost per gallon of water per day.

New Development Facility Needs and Costs

A number of approaches are used to identify facility needs and costs to serve new development. This is often a two-step process: (1) identify total facility needs, and (2) allocate to new development its fair share of those needs.

There are three common methods for determining new development's fair share of planned facilities costs: the existing inventory method, the planned facilities method, and the system plan method. This study uses the existing inventory methodology to calculate impact fees for fire facilities. The formula used by the existing inventory method and the advantages and disadvantages of this approach are summarized below:

Existing Inventory Method

The existing inventory method allocates costs based on the ratio of existing facilities to demand from existing development as follows:

$$\frac{\text{Current Value of Existing Facilities}}{\text{Existing Development Demand}} = \$/\text{unit of demand}$$

Under this method new development will fund the expansion of facilities at the same standard currently serving existing development. By definition the existing inventory method results in no facility deficiencies attributable to existing development. This method is often used when a long-range plan for new facilities is not available. Only the initial facilities to be funded with fees are identified in the fee study. Future facilities to serve growth are identified through an annual capital improvement plan and budget process, possibly after completion of a new facility master plan.

Impact Fees for Accessory Dwelling Units

The California State Legislature recently amended requirements on local agencies for the imposition of development impact fees on accessory dwelling units (ADU) with Assembly Bill AB 68 in 2020. The amendment to California Government Code §65852.2(f)(2) stipulates that local agencies may not impose any impact fees on ADU less than 750 square feet. ADU greater than 750 square feet can be charged impact fees in proportion to the size of the primary dwelling unit.

Calculating Impact Fees for Accessory Dwelling Units

For ADUs greater than 750 square feet, impact fees can be charged as a percentage of the single family fire protection facilities impact fee. The formula is:

$$\frac{ADU\ Square\ Feet}{Primary\ Residence\ Square\ Feet} \times Single\ Family\ Impact\ Fee = ADU\ Impact\ Fee$$

In the case of an 800 square foot ADU and a 1,600 square foot primary residence, the fire protection facilities impact fees would be 50 percent (800 square feet / 1,600 square feet = 50%) of the fee calculated for the primary dwelling unit on the parcel.

Organization of the Report

This Chapter introduces the concept of impact fees and the methodology used to calculate the fee.

Chapter 2 is devoted to documenting the nexus analysis identifying the maximum justified development impact fees for fire protection facilities.

Chapter 3 describes how this report complies with the recently implemented requirements of AB602.

Chapter 4 details the procedures that the District and County must follow when implementing a development impact fee program. Impact fee program adoption procedures are found in *California Government Code Section 66016*.

The five statutory findings required for adoption of the proposed development impact fees in accordance with the *Mitigation Fee Act (codified in California Government Code Sections 66000 through 66025)* are summarized in Chapter 5.

2. Nexus Analysis

Growth projections are used as indicators of demand to determine facility needs and allocate those needs between existing and new development. This chapter explains the source for the growth projections used in this study based on a 2023 base year and a planning horizon of 2045.

Estimates of existing development and projections of future growth are critical assumptions used throughout this report. These estimates are used as follows:

- The estimate of existing development in 2023 is used as an indicator of existing facility demand and to determine existing facility standards.
- The estimate of total development at the 2045 planning horizon is used as an indicator of future demand to determine total facilities needed to accommodate growth.
- Estimates of growth from 2023 through 2045 are used to (1) allocate facility costs between new development and existing development, and (2) estimate total fee revenues.

The demand for public facilities is based on the service population, dwelling units or nonresidential development creating the need for the facilities.

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 impose the development impact fee based on the specific aspects of a proposed development regardless of the zoning designation where the project will be located. Should the project be in an area that is not zoned as any of the above stated land use types, the guideline to use is the probable occupant density of the development, either residents per dwelling unit or workers per building square foot, to determine which fee will be charged. The fee imposed should be based on the land use type that most closely represents the probable occupant density of the development.

Existing and Future Development

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 2023 and 2045. 2023 is the most recent year for which demographic data for the District was available at the time of this study. The total service population is comprised of residents and employees working within the District.

Table 1: Growth Forecasts

	A **Residents**	*B* **Workers**	*C* **Worker Demand Factor[1]**	*D = A + (B x C)* **Service Population**
Residents and Workers				
Existing (2023)[2]	32,773	3,160	1.00	35,933
New Development (2023-2045)[3]	4,288	495	1.00	4,783
Total (2045)	37,061	3,655	1.00	40,716

[1] Workers are weighted at 1.0 of residents based on an an analysis of calls for service within the District. Refer to Table A.1 for further detail.

[2] Existing residents from ESRI, 2023. Existing workers from US Census Bureau's OnTheMap application.

[3] Future growth based on equivalent residents and workers calculated from growth in building square feet, estimated based using five year annual average from FY 2018-19 to FY 2022-23, projected to 2045.

Sources: ESRI Business Analyst; U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics; Appendix Table A.1, Willdan Financial Services.

The estimates of existing residents within the District were identified using ESRI Business Analyst, and are based on US Census Bureau data. Future residents are estimated based on an assumed increase of 232,500 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 five-year period. See **Appendix Table A.1** for annual building square feet growth data from FY 2018-19 to FY 2022-23.

Estimates of existing workers were estimated based on data from the US Census Bureau's OnTheMap application. Future workers are estimated using the same methodology described above to estimate growth in residents.

The use of a worker demand factor of 1.0 for workers in the District relative to residents is based on an analysis of one year of fire department incidents in the District, categorized by land use. Annual incidents at residential land uses were divided by the current residential population to yield an annual incidents-per-capita factor. Dividing annual incidents at nonresidential areas by annual employment in the District yielded a comparable per-capita factor. The ratio of the worker per capita factor to the resident per capita factor is the worker demand factor used in the analysis. See **Appendix Table A.2** for a detailed worker weighting analysis.

Using this weighting factor, the total existing service population for the District is estimated at about 35,933 as shown in Table 1. The projected 2045 service population is larger at 40,716. The increase in service population due to new development is approximately 4,783.

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 occupant density factor is derived from the U.S Census Bureau, 2021 American Community Survey (ACS) **Tables B25024** and **B25033** for Nevada County**. Table B25024** provides total housing units by land use designation. **Table B25033** documents the total population residing in occupied housing. Total residents are divided by total units to estimate average persons per dwelling unit within the entire County.

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: Occupancy Density Assumptions

Residential Dwelling Unit	1.90	Residents per dwelling unit
Nonresidential		
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, 2021 American Community Survey, Tables B25033 and B25024; The Natelson Company, Inc., Employment Density Study Summary Report, October 31, 2001; Willdan Financial Services.

Building Square Feet

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 232,500 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 Square Feet

	Residential	Nonresidential	Total
Equivalent Square Feet (1,000s)			
Existing (2023)[1]	54,058	3,327	57,385
New Development (2023-2045)[2]	4,877	470	5,348
Total (2045)	58,935	3,797	62,733

[1] Calculated based on data in Tables 1 and 2.

[2] Assumes 232,500 new building square feet per year, allocated to residential and nonresidential based on current population proportions.

Sources: Nevada County Consildated Fire District; Tables 1 and 2, 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.

Table 4 and Table 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 Table 4 and Table 5 include the following:

- ***Land cost per acre***. Estimated cost per acre based on comparable sales data since 2021 from CoStar. Excludes parcels larger than 20 acres in area.
- ***Buildings***. Estimated replacement costs based on data from the District's prior impact fee study, adjusted for inflation to 2023 dollars.
- ***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 throughout the service area. The estimated replacement cost of these facilities is approximately $16.2 million.

Table 4: Existing Fire Station Inventory

	Amount		Unit Cost	Total Cost
Station No. 82 - 18969 Scotts Flat Road				
Building	1,910	sq. ft.	$ 435	$ 830,850
Land	1.68	acres	331,600	557,088
Subtotal				$ 1,387,938
Station No. 84 - 640 Coyote Street				
Building	8,764	sq. ft.	$ 435	$ 3,812,340
Land	4.94	acres	331,600	1,638,104
Subtotal				$ 5,450,444
Station No. 86 - 12337 Banner Lava Cap				
Building	3,916	sq. ft.	$ 435	$ 1,703,460
Land	1.33	acres	331,600	441,028
Subtotal				$ 2,144,488
Station No. 88 - 14400 Golden Star Road				
Building	4,851	sq. ft.	$ 435	$ 2,110,185
Land	2.52	acres	331,600	835,632
Subtotal				$ 2,945,817
Station No. 89 - 11833 Tammy Way				
Building	3,920	sq. ft.	$ 435	$ 1,705,200
Land	0.36	acres	331,600	119,376
Subtotal				$ 1,824,576
Station No. 92 - 14811 McCourtney Road				
Building	4,576	sq. ft.	$ 435	$ 1,990,560
Land	1.44	acres	331,600	477,504
Subtotal				$ 2,468,064
Total - Land and Buildings				$16,221,327

Note: Stations 81, 83 and 91 are exlcuded from the inventory because the District is planning to sell these facilities.

Source: Nevada County Consolidated Fire District; CoStar; 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 $9.7 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. Water tenders and associated equipment are necessary to serve the non-hydrant areas.

Table 5: Existing Vehicle and Apparatus Inventory

Unit No.	Identifier	Year	Make	Model	Station	Replacement Cost
District-wide Facilities						
2016-101 - U	P-5121	2016	Ford	F-250	Admin.	$ 80,000
2011-102 - R	Repair 5131	2011	Ford	F-250	Sta. 92	165,000
2006-103 - E	E-84	2006	Pierce	Saber	Sta. 84	1,100,000
2021-104 - E	E-88	2021	Pierce	Enforcer	Sta. 88	1,000,000
2000-105 - E	E-81	2000	Freightliner	FL70	Sta. 81	800,000
2001-106 - S	S-86	2001	Ford	F-550	Sta. 86	225,000
2009-107 - T	Fire Safety	2009	Scotty	FG-35BLCHFLT	Sta. 83	50,000
2015-108 - U	U-84	2015	Ford	F-250	Sta. 84	80,000
2008-109 - B	B-89	2008	Pierce	IHC 7400 4x4	Sta. 89	500,000
2018-110 - T	LAR Trailer	2018	Haulmark	PPT6X10DS2	Sta. 88	25,000
2016-111 - E	E-89	2016	Pierce	Arrow XT	Sta. 89	1,000,000
2009-112 - U	U-89	2009	Chevrolet	Tahoe	Sta. 89	65,000
2015-113 - T	Investigation	2015	Haulmark	TST6X12DT2	Sta. 82	10,000
2016-114 - U	C-5103	2016	Ford	F-250	Admin.	80,000
2018-115 - U	C-5100	2018	Ford	Interceptor	Admin.	45,000
2021-116 - S	UTV-84	2021	Polaris	Ranger	Sta. 84	25,000
2017-118 - U	B/C 5120	2017	Ford	Interceptor	Admin.	45,000
2017-119 - R	Repair 5130	2017	Ford	F-550	Sta. 92	145,000
2018-120 - E	E-86	2018	International	7300	Sta. 86	800,000
2019-121 - U	U-88	2019	Ford	F-250 4x4	Sta. 88	80,000
2020-122 - R	R-84	2020	Ford	F-550	Sta. 84	265,000
1996-123 - T	Trailer	1996	Homemade	Utility	Sta. 88	2,000
2020-124 - U	B/C	2020	Ford	F-250 4x4	Sta. 84	80,000
2021-125 - T	Trailer	2021	Big Tex	Utility	Sta. 82	6,000
2022-126-U	Prevention	2022	Ford	F-250	Admin.	45,000
2006-132 - E	E-87	2006	Pierce	Saber	Sta. 82	1,100,000
2006-140 - E	E-90	2006	Pierce	Saber	Sta. 89	1,100,000
2020-T6	OES 4610	2020	Ford F550	HME	Sta. 88	-
201	MCI / Rehab		Haulmark	KD7X14WT2	Sta. 43	10,000
202	HAZ-MAT		Haulmark	KD7X12WS2	Sta. 92	10,000
	Server					12,000
Subtotal						$ 8,950,000
Non-Hydrant Area Facilities						
1994-128 - WT	WT-88	1994	Kenworth		Sta. 88	$ 500,000
2023-129 - WT	WT-84	2023	Rosenbauer	Freightliner	Sta. 84	310,000
Subtotal						$ 810,000
Total - All Facilities						$ 9,680,000

Source: Nevada County Consolidated Fire District.

Table 6 summarizes the total replacement cost of the existing fire facilities inventory, which includes the total value of facilities, vehicles and apparatus, and equipment. The total replacement cost of the fire facilities inventory is approximately $26 million.

Table 6: Total Value of Existing Fire Protection Facilities Inventory

Category	Value
District-Wide	
Stations	$ 16,221,327
Vehicles, Apparatus and Equipment	8,950,000
Subtotal - All Areas	$ 25,171,327
Non Hydrant Area Apparatus and Equipment	$ 810,000
Total	$ 25,981,327

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 station expansion and reconfiguration will needed in the 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 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. In total, approximately $11.9 million in planned fire facilities is identified in Table 7.

Note that the fee calculation is driven by the existing facility standards used to determine the cost per capita. The cost of the planned facilities below does not drive the fee calculation.

Table 7: Fire Protection Facilities Capital Improvement Plan

Item	Description	Cost
District-wide Facilities		
Buildings		
Station 82	Remodel	$ 300,000
Station 84	Remodel back shop	-
Station 86	Relocate to Paye Site	4,800,000
Station 88	Remodel	200,000
Station 89	Remodel	200,000
Station 92	Remodel	100,000
New Administration Facility	Construct new admin (5000 sf) /Training (1,500 sf) /Shop (5,000 sf) /storage (1,000 sf) facility	3,000,000
Subtotal		$ 8,600,000
Vehicles and Apparatus		
Medium Rescue		$ 1,800,000
Two (2) command vehicles		180,000
Boat		25,000
UTV		50,000
Snow Cat		370,000
Type III Engine		475,000
Subtotal		$ 2,900,000
Total		$ 11,500,000
Non-Hydrant Areas		
Water Tender – (350K)		$ 350,000

Source: Nevada County Consoildated Fire District.

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: Existing Facility Standards

Districtwide			
Value of Existing Facilities	*[A]*	$	25,171,327
Existing Service Population	*[B]*		35,933
Facility Standard per Resident	*[C = A / B]*	$	701
Facility Standard per Worker[1]	*[D = C x 1.0]*		701
Non-Hydrant Surcharge			
Value of Existing Facilities	*[E]*	$	810,000
Existing Service Population	*[F]*		17,967
Facility Standard per Resident	*[G = E / F]*	$	45
Facility Standard per Worker[1]	*[H = G x 1.0]*		45

[1] Based on a per capita demand factor of 1.0 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 2045 and compares that figure to the total cost of planned facilities identified in Table 7. In total, the impact fee is estimated to generate approximately $3.5 million through 2045. The bottom line of Table 9 shows that to complete future facilities as currently planned there is a need for $8.4 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. However, so long as the District spends the collected fee revenue on capacity expanding facilities to serve new development, it will have spent the fee revenue appropriately.

Table 9: Projected Fire Protection Facilities Impact Fee Revenue

Total Cost of Planned Facilities	*[A]*	$ 11,850,000
Facilities Value per Capita - Districtwide	*[B]*	$ 701
Facilities Value per Capita - Non-Hydrant areas	*[C]*	45
Service Population Growth - Districtwide (2023 - 2045)	*[D]*	4,783
Projected Fire Facilities Impact Fee Revenue	*[E = B x D]*	$ 3,352,900
Service Population Growth - Non-Hydrant (2023 - 2045)	*[F]*	2,392
Projected Fire Facilities Impact Fee Revenue	*[G = C x F]*	$ 107,618
Total Projected Fee Revenue	*[H = E + G]*	$ 3,460,518
Non-Impact Fee Revenue Needed	*I = A - H*	$ 8,389,483

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

Alternative Funding Sources

Non-fee funding will be required 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 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 **Error! Reference source not found.** 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: Maximum Justified Fire Protection Facilities Impact Fee Schedule

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 / 2,161 or 1,000* Fee per Sq. Ft.[3]
Residential Dwelling Unit	$ 701	1.90	$ 1,332	$ 27	$ 1,359	$ 0.63
Nonresidential						
Commercial	$ 701	1.69	$ 1,185	$ 24	$ 1,209	$ 1.21
Office	701	1.61	1,129	23	1,152	1.15
Industrial	701	0.88	617	12	629	0.63
Agricultural	701	0.03	22	-	22	0.02

[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 new construction residential unit finaled from FY 2019-19 to FY 2023-23 is 2,161 square 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* 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 / 2,161 or 1,000* Fee per Sq. Ft.[3]
Residential Dwelling Unit	$ 45	1.90	$ 86	$ 2	$ 88	$ 0.04
Nonresidential						
Commercial	$ 45	1.69	$ 76	$ 2	$ 78	$ 0.08
Office	45	1.61	72	1	73	0.07
Industrial	45	0.88	40	1	41	0.04
Agricultural	45	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 new construction residential unit finaled from FY 2019-19 to FY 2023-23 is 2,161 square feet based on County permit records.

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

3. AB 602 Requirements

On January 1, 2022, new requirements went into effect for California jurisdictions implementing impact fees. Among other changes, AB 602 added Section 66016.5 to the Government Code, which set guidelines for impact fee nexus studies. Three key requirements from that section which concern the nexus study are reproduced here:

66016.5. (a) (2) When applicable, the nexus study shall identify the existing level of service for each public facility, identify the proposed new level of service, and include an explanation of why the new level of service is appropriate.

66016.5. (a) (4) If a nexus study supports the increase of an existing fee, the local agency shall review the assumptions of the nexus study supporting the original fee and evaluate the amount of fees collected under the original fee.

66016.5. (a) (5) A nexus study adopted after July 1, 2022, shall calculate a fee imposed on a housing development project proportionately to the square footage of proposed units of the development. A local agency that imposes a fee proportionately to the square footage of the proposed units of the development shall be deemed to have used a valid method to establish a reasonable relationship between the fee charged and the burden posed by the development.

66016.5. (a) (6) Large jurisdictions shall adopt a capital improvement plan as a part of the nexus study.

Compliance with AB 602

The following sections describe this study's compliance with the new requirements of AB 602.

66016.5. (a) (2) - Level of Service

The fees calculated in this study use the existing standard methodology which assumes no increases in the currently provided level of service. The fees are calculated such that new development funds facilities at the existing level of service. The existing level service in terms of the existing facility cost per capita is shown in Table 8.

66016.5. (a) (4) – Review of Original Fee Assumptions

Willdan both authored and reviewed the District's 2016 Fire Facilities Impact Fee Study and with input from District staff determined that the analysis should be revised. The primary reason for the update is to account for increased facilities costs since 2016, and to adjust the land use assumptions based on the latest growth trends in the District.

Table 11 displays an accounting of fee revenue collected from FY 2018-19 to FY 2022-23

Table 11: Historical Fee Revenue Collections

Fiscal Year	Fire Facilities Impact Fee Revenue Collected
FY 2018-19	$ 111,188
FY 2019-20	88,398
FY 2020-21	117,640
FY 2021-22	81,559
FY 2022-23	116,430
Five-Year Average	$ 103,043

Source: Nevada County Consolidated Fire District.

66016.5. (a) (5) – Residential Fees per Square Foot

Fees for residential land uses are calculated per square foot and comply with AB 602.

66016.5. (a) (6) – Capital Improvement Plan

The population of Nevada County is less than 250,000 residents, so the capital improvement plan requirement does not apply to this nexus analysis. However, a list of planned facilities that may be funded with impact fee revenue is included above in Table 7 .

4. Implementation

Impact Fee Program Adoption Process

Impact fee program adoption procedures are found in the California Government Code section 66016. Adoption of an impact fee program requires the District to follow certain procedures including holding a public meeting. Fourteen days mailed public notice is required for those registering for such notification. Per AB602, this impact fee nexus study must be adopted by the Board of Supervisors with 30 days' notice before the public hearing. Legal counsel can inform the District of any other procedural requirements and provide advice regarding adoption of an enabling ordinance and/or a resolution. After adoption, there is a mandatory 60-day waiting period before the fees go into effect. This procedure must also be followed for fee increases.

Inflation Adjustment

Appropriate inflation indexes should be identified in a fee ordinance including an annual inflation adjustment to the fee schedule. The fees can be adjusted based on the District's recent capital project experience or can be adjusted based on any reputable construction cost index, such as the California Construction Cost Index (CCCI). Inflationary adjustments to the development impact fee schedule require adoption by the County Board of Supervisors.

Fee Accounting

The District should deposit fire protection impact fee revenues into a restricted account. Fee revenue can only be spent on capacity expanding fire protection facilities. Fee revenue cannot be spent on operations and maintenance costs.

Programming Revenues and Projects with the CIP

The District should integrate the fire protection facilities CIP from this study into its Districtwide CIP. That document should program fee revenue to specific projects. The use of the CIP in this manner documents a reasonable relationship between new development and the use of those revenues. Fee revenues can legitimately be used to fund system planning to further identify needed facilities.

The District may decide to alter the scope of the planned projects or to substitute new projects. This is acceptable if the modified or new projects continue to be for facilities necessary to serve the needs of new development. If the total cost of facilities varies from the total cost used as a basis for the fees, the District should consider revising the fees accordingly.

Fees collected must be spent or allocated to specific projects within five years. In compliance with the requirements of the Act, the District should allocate existing fund balances and projected fee revenues to specific projects in the CIP accordingly within the five-year time period. Note that the District can hold funds in a project account for longer than five years if necessary to collect sufficient monies to complete a project.

Reporting Requirements

The District will comply with the annual and five-year reporting requirements of the *Mitigation Fee Act*. **Table 12** summarizes the annual and five-year reporting requirements identified in the *Mitigation Fee Act*.

Table 12: Mitigation Fee Act - Annual and Five-year Administrative Requirements

CA Gov't Code Section	Timing	Reporting Requirements[1]	Recommended Fee Adjustment
66001.(d)	The fifth fiscal year following the first deposit into the account or fund, and every five years thereafter	(A) Identify the purpose to which the fee is to be put. (B) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged. (C) Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements. (D) Designate the approximate dates on which supplemental funding is expected to be deposited into the appropriate account or fund.	Comprehensive Update
66006. (b)	Within 180 days after the last day of each fiscal year	(A) A brief description of the type of fee in the account or fund. (B) The amount of the fee. (C) The beginning and ending balance of the account or fund. (D) The amount of the fees collected and the interest earned. (E) An identification of each public improvement on which fees were expended including share funded by fees. (F) An identification of an approximate date by which the construction of the public improvement will commence. (G) A description of any potential interfund transfers. (H) The amount of refunds made (if any).	Inflationary Adjustment

[1] Edited for brevity. Refer to the government code for full description.

Sources: California Government Code §6601 and §6606.

5. Mitigation Fee 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;
- Expanded capacity of 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 2045. Facilities standards represent the level of service that the District plans to provide its residents and businesses in 2045. Standards are based on the District's total existing and planned facilities allocated across the District's total service population in 2045.

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 - Five Year

Fiscal Year	Square Feet Added
22-23	237,921
21-22	190,706
20-21	245,220
19-20	197,284
18-19	291,240
Five-Year Average, per Year	232,500
Projected Square Feet of New Construction - 2023 to 2045:	5,347,500

Source: Nevada County Consolidated Fire District, 2023; Willdan Financial Services.

Appendix Table A.2: Worker Weighting Factor

Category	Incidents	Population or Employees	Calls per Capita
Residential	2,098	32,773	0.06
Nonresidential	202	3,160	0.06
Other	971		
Worker Weighting Factor[1]			1.00

[1] Nonresidential calls per capita / residential calls per capita.

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