



# ANDERSON FIRE PROTECTION DISTRICT

## FIRE IMPACT FEE NEXUS STUDY

MARCH 2023  
FINAL REPORT

PREPARED FOR:

**BOARD OF DIRECTORS  
ANDERSON FIRE PROTECTION DISTRICT**

PREPARED BY:



**SCI Consulting Group**  
4745 MANGELS BOULEVARD  
FAIRFIELD, CALIFORNIA 94534  
PHONE 707.430.4300  
[www.sci-cg.com](http://www.sci-cg.com)

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## ANDERSON FIRE PROTECTION DISTRICT

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Steve Lowe

### FIRE INSPECTOR

Tanner Gray

### IMPACT FEE CONSULTANT

Blair Aas, Director of Planning Services  
SCI Consulting Group

## ACKNOWLEDGMENTS

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This Fire Impact Fee Nexus Study was prepared by SCI Consulting Group ("SCI") under contract with the Anderson Fire Protection District ("District"). The work was accomplished under the general direction of Steve Lowe, District Fire Chief.

We want to acknowledge the special efforts made by the following individuals and organizations for this project:

Tanner Gray, Anderson Fire Protection District  
Angie Poletski, Anderson Fire Protection District  
Shasta County Auditor's Office  
Shasta County Assessor's Office

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## EXECUTIVE SUMMARY

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### INTRODUCTION

The Anderson Fire Protection District ("District") provides first-responder fire protection, rescue, and emergency medical services to the City of Anderson ("City") and two unincorporated areas of the County of Shasta ("Shasta"). Specifically, the District's services include fire prevention and suppression, emergency medical response, and public education. Since November 2002, the City and County have imposed fire impact fees on behalf of the District on new residential and nonresidential development within the District's service area. The fire impact fee funds the one-time cost of expanding the District's fire system to meet the impact of new development.

The legal and policy basis for imposing the District's current fire impact fee is supported by the District's Impact Fee Study, dated October 28, 2002, and amendment dated May 10, 2011, which was approved by the District Board of Directors on May 10, 2011, by Resolution No. 2011-01 and later adopted by the City Council and County Board of Supervisors on May 3, 2011, by Resolution No. 11-25 and by the County Board of Supervisors on June 28, 2011, by Ordinance No. 689.

This Fire Impact Fee Nexus Study ("Nexus Study") was prepared pursuant to the "Mitigation Fee Act," as found in California Government Code § 66000 et seq (the "Act"). The purpose of this Nexus Study is to establish the legal and policy basis for imposing new fire impact fees ("fees") on new residential and nonresidential development within the District. The fee's purpose is to fund the one-time cost of expanding the District's facilities, apparatus, and equipment needed to maintain its existing level of service. No capacity exists to serve new development. If the District's fire system capacity is not increased to satisfy the additional demand, the quality and responsiveness of the District's fire protection and emergency response services will deteriorate.

For purposes of this Nexus Study, the term "facilities" or "fire system facilities" will refer to facilities (land, stations, and other buildings), apparatus (engines and other vehicles), and equipment. The term "new development" will generally refer to the persons (residents and employees working in the District) and the structural area (residential area and nonresidential building area) in which the persons live or work.

Under California law, the District does not have land-use authority to impose impact fees on development projects. Because the District serves the City of Anderson, the City Council and County Board of Supervisors must adopt the fire impact fee program on behalf of the

District. The City and County currently impose a fire impact fee in the amount of \$918.15 per dwelling unit and \$0.73 per square foot of commercial area.

In order to impose such fees, this Nexus Study will demonstrate that a reasonable relationship or "nexus" exists between new development within the District and the need for fire protection facilities, apparatus, and equipment due to new development. More specifically, this Nexus Study will present findings in order to meet the procedural requirements of the Act, which are as follows:

1. Identify the **purpose** of the fee.
2. Identify the use to which the fee is to be put. If the use is funding public facilities, the facilities must be identified. Identifying the public facilities may be a broad class of projects<sup>1</sup> or made by reference to a capital improvement plan, made in applicable general or specific plan requirements, or made in other public documents.<sup>2</sup>
3. Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed ("**benefit relationship**").
4. 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 ("**impact or need relationship**").
5. Determine how there is a reasonable relationship between the amount of the fee and the cost of the facilities or portion of the facilities attributable to the development on which the fee is imposed ("**rough proportional relationship**").

Additionally, the Act specifies that the fee shall not include costs attributable to existing deficiencies in public facilities but may include the costs attributable to the increased demand for public facilities reasonably related to the development project in order to refurbish existing facilities to maintain the existing level of service or achieve an adopted level of service that are consistent with the City and County General Plans.

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<sup>1</sup> According to Government Code § 66000(b) and validated by Homebuilders Association of Tulare/Kings Counties, Inc. v. City of Lemoore in 2010.

<sup>2</sup> According to Gov't Code Section 66001(a)(2).



## METHODOLOGY / APPROACH

To determine the District's fire impact fee consistent with these **substantive requirements**, this Nexus Study utilizes a systemwide existing facility standard methodology. The facility standard methodology is a commonly used method for the calculation of fire impact fees. It was validated by the Homebuilders Association of Tulare/Kings Counties, Inc. v. City of Lemoore in 2010. Under this method, identification and use of an existing facility standard and the restricted uses of fee revenue ensure that new development will not fund any existing deficiencies as prohibited by the Act. Instead, only capital improvements and apparatus, vehicle, and equipment purchases that expand the District's fire system are allowable uses of fee revenue. Likewise, the fee program will generate only enough revenue to proportionally expand the fire system to maintain the existing level of service.

The existing facility standard is based on the District's ratio of existing fire protection and emergency response facilities, apparatus, and equipment to the existing service population. Existing development refers to the persons (residents and employees working in the District) and the structural area (residential area and nonresidential building area) in which the persons live or work. Existing development demand is based on the District service call data. The District's existing fire system's value is determined using the replacement value of the District's existing inventory of fire protection facilities, apparatus, and equipment. These costs are then applied to seven land use categories in proportion to the need they create for fire protection and emergency response services.

The Act requires that in establishing a development impact fee program, the facilities funded by the fee must be identified. However, the Act provides flexibility regarding how that identification may be made. The fee program may identify a broad class of projects<sup>3</sup> or made by reference to a capital improvement plan, made in applicable general or specific plan requirements, or made in other public documents<sup>4</sup>. This fee program identifies facilities (land, stations, and other buildings), apparatus (engines and other vehicles), and equipment as the broad classes that will be funded with the fee.

It is important to note that the level of development in the District does not directly influence the maximum fire impact fee determined by this Nexus Study. The fire impact fee is determined with an open-end approach based on the District's level of service standards rather than a definite facility plan and a definite level of future development. Therefore, if the

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<sup>3</sup> According to Government Code § 66000(b) and validated by Homebuilders Association of Tulare/Kings Counties, Inc. v. City of Lemoore in 2010.

<sup>4</sup> According to Gov't Code Section 66001(a)(2).

actual level of development is significantly higher or lower rate than projected, no revision of the fire impact fee program would be necessary.

The Nexus Study also details the **procedural requirements** for approval of the Nexus Study and proposed fire impact fee program ("fee program") by the District Board of Directors and adoption by the City Council and County Board of Supervisors on behalf of the District. Also, the Act contains specific requirements for the **annual administration** of the fee program. These statutory requirements and other important information regarding the imposition and collection of the fee are provided in the last sections of the Nexus Study.

### SUMMARY OF GENERAL FINDINGS

The following general findings from the Nexus Study are presented:

1. The City and County, on behalf of the District, impose a fee of \$918.15 per residential dwelling unit and \$0.73 per square foot of nonresidential building area.
2. Fire impact fees are necessary to ensure that the District can adequately expand its fire protection facilities, apparatus, and equipment needed for the resident and employee growth and new structural area created by new development.
3. It is the objective of the District to maintain its existing level of service by establishing a fire impact fee to fund the cost of expanding the District's facilities, apparatus, and equipment attributable to new development.
4. Consistent with the Act's nexus requirement, this Nexus Study demonstrates a reasonable relationship between new development, the amount of the proposed fee, and facilities, apparatus, and equipment funded by the fee.
5. Fee revenue may only fund the costs of expanded facilities, apparatus purchases that expand the District's existing inventory and up to 6.9 percent of apparatus replacement costs, and fee program administrative costs.
6. Since only cities and counties have land-use authority to impose development impact fees as a condition of project approval, the District's proposed fee must be adopted by the City and County on behalf of the District.
7. The maximum fire impact fee determined by this Nexus Study is consistent with the City General Plan and County General Plan.

8. The District may approve, and City and County may adopt, on their behalf, the maximum fire impact fees at or below the maximum level determined by this Nexus Study.

**FIGURE 1 – MAXIMUM FIRE IMPACT FEE SCHEDULE**

Land Use Category	Unit <sup>1</sup>	Maximum Fire Impact Fee <sup>2</sup>
Single Family Housing	BSQFT	\$1.09
Multi-Family Housing	BSQFT	\$1.17
Mobile Home	BSQFT	\$0.93
Accessory Dwelling Unit (750 sq.ft. or greater)	BSQFT	\$1.09
Accessory Dwelling Unit (less than 750 sq.ft.)	-----	Exempt -----
Retail / Commercial	BSQFT	\$0.81
Office	BSQFT	\$0.89
Industrial	BSQFT	\$0.65

Notes:

<sup>1</sup> BSQFT means building square feet.

<sup>2</sup> See Figures 8 and 9.

## SUMMARY OF GENERAL RECOMMENDATIONS

Based on the findings presented in the Nexus Study, the following general recommendations are presented:

1. The District should establish a new fire impact fee to fairly allocate the costs of providing fire protection facilities, apparatus, and equipment to new development.
2. The District's new fire impact fee should be adopted and implemented in accordance with the applicable provisions of the Act (Government Code § 66000 et al.).
3. Fee revenue should be used to fund only the cost of expanded facilities, apparatus, vehicles, and equipment to serve new development, as further detailed in Figure 13.
4. Proceeds from the new fire impact fee should be deposited into a separate fund account so that there will be no commingling of fees with other revenues or unexpended balances of the District's existing fire impact fee funds. Once the old existing fee program fund accounts have been spent, the fund accounts should be closed.
5. The District, City, and County should comply with the annual reporting requirements under Government Code § 66006(b).
6. Following the fifth fiscal year after the first deposit of fee revenue and every five years thereafter, the District should comply with the reporting requirements under Government Code § 66001(d).
7. The cost estimates presented in this Nexus Study are in January 2023 dollars. The fire impact fee should be adjusted automatically without further action by the District Board, the City Council, and the County Board of Supervisors on the first day of each fiscal year by the previous calendar percentage change in the Engineering News-Record Construction Cost Index or its successor publication.
8. In order to comply with the Act and recent court decisions, a fee credit must be given for demolished existing living or building areas as part of a new development project.

## DETERMINATION OF EXISTING DEVELOPMENT

The District serves both residences and businesses throughout its service area. As such, the demand for the District's fire protection services and associated fire protection facilities, apparatus, and equipment is measured by its service population (residents or employees) and the structural area (i.e., living area or nonresidential building area) in which they live or work. This section will first determine the District's service population and structural area. These figures, along with District service call data, will be used to establish an existing facility demand factor for the various residential and nonresidential land uses within the District, which in turn will be used to determine existing development's total facilities demand.

### EXISTING SERVICE POPULATION AND STRUCTURAL AREA

The District provides first-responder fire protection, rescue, and emergency medical services to the unincorporated community of Anderson. A map of the District's boundaries is provided in Appendix A. As shown in Figure 2 below, the District currently serves an estimated resident population of 12,230 and protects approximately 5,199 occupied and vacant dwelling units. These figures are based on the U.S. Census Bureau's 2021 American Community Survey 5-Year Estimate for the District's service area and a 4.9 percent vacancy rate, as reported by the California District of Finance.

FIGURE 2 – CURRENT DISTRICT RESIDENTIAL DEMOGRAPHICS

Land Use Categories	Total Dwelling Units <sup>1</sup>	Vacant Dwelling Units <sup>2</sup>	Occupied Housing Units	Dwelling Unit Occupancy Factor <sup>3</sup>	Resident Population
Calc	a	b	c = a - b	d	e = c * d
Single-Family Housing	3,372	164	3,208	2.77	8,886
Multi-Family Housing	1,463	71	1,392	1.88	2,617
Mobile Home	364	18	346	2.10	727
Total Residential	5,199	253	4,946	2.47	12,230

Notes:

<sup>1</sup> From the California Department of Finance Population and Housing Estimates for City of Anderson and Shasta County Assessor's Lien Roll as of July 2022 for the unincorporated area of the District.

<sup>2</sup> Vacancy rate of 4.9% according to the California Department of Finance for the City of Anderson.

<sup>3</sup> Based on census data from the U.S. Census Bureau's 2021 American Community Survey 5-Year Estimate for the City of Anderson.

The District also serves an estimated 4,783 workers and protects approximately 1.92 million square feet of nonresidential building area. The estimated number of workers in the District is based on an estimated jobs-to-housing ratio of 0.92. The estimated nonresidential structural area is calculated by multiplying the number of workers by 402 square feet of nonresidential building area for every worker (or 2.49 workers per 1,000 square feet.)

#### RESIDENT EQUIVALENT DEMAND FACTOR

The Nexus Study uses a calls-for-service approach to establish the relative fire facilities demand from residential and nonresidential land uses. Specifically, service call data is converted into a resident equivalent demand factor, representing the demand for service from a worker compared to a household resident. Service calls for calendar year 2022 were gathered from the District's Emergency Reporting database.

As shown in Figure 3 on the following page, the District had 2,037 service calls originating from residential properties and 405 from nonresidential properties. Service calls originating from highways, roads, open fields, or otherwise not classified as originating from residential or nonresidential land use were excluded. Dividing service calls for residential and nonresidential land uses by the corresponding estimated number of residents and workers results in the relative number of per capita for residential and nonresidential land uses. As shown, District residents are served at 1.0, and workers in the District are served at 0.51 compared to District residents.

**FIGURE 3 – RESIDENT EQUIVALENT DEMAND FACTOR**

	Calc	Residential	Nonresidential
Average Annual Service Calls <sup>1</sup>	a	2,037	405
Residents or Workers <sup>2</sup>	b	12,230	4,783
Per Capita Fire Service Demand	c = a / b	0.1666	0.0847
Resident Equivalent Demand Factor	d = c / 0.1666	1.00	0.51

Sources: Anderson Fire Protection District; SCI Consulting Group

Notes:

<sup>1</sup> From District's Emergency Reporting database for 2022.

<sup>2</sup> Workers is based on estimated jobs-to-housing ratio of 0.92.

## FACILITIES EDU DEMAND FACTOR

Next, equivalent dwelling unit ("EDU") demand factors are established to compare the relative fire facilities demand across four residential, and three nonresidential land uses. The EDU is also used to convert nonresidential building area to residential dwelling unit value. This common approach allows for the cost of fire protection facilities, apparatus, and equipment to be equitably apportioned among residential and nonresidential land uses.

Figure 7 below shows the facilities EDU demand factor calculation for each land use category. The residential land use categories are expressed per dwelling unit, and the nonresidential land use categories are expressed per 1,000 square feet of building area. Each land use category's occupancy density is multiplied by their respective resident equivalent demand factor, then converted to single-family home value. By this measure, for example, one single-family home creates the demand for fire facilities equal to 470 square feet of retail/commercial building area.

**FIGURE 4 – FIRE FACILITIES DEMAND FACTOR**

Land Use Category	Unit	Occupancy Density per Unit <sup>1</sup>	Resident Equivalent Demand Factor <sup>2</sup>	Facilities EDU Demand Factor
Calc		a	b	$c = (a * b) / 2.77$ (rounded)
Single Family Housing	DU	2.77	1.00	<b>1.00</b>
Multi-Family Housing	DU	1.88	1.00	<b>0.68</b>
Mobile Home	DU	2.10	1.00	<b>0.76</b>
Residential	DU	2.45	1.00	<b>0.88</b>
Retail / Commerical	KBSF	2.56	0.51	<b>0.47</b>
Office	KBSF	2.82	0.51	<b>0.52</b>
Industrial	KBSF	2.07	0.51	<b>0.38</b>
Nonresidential	KBSF	2.49	0.51	<b>0.46</b>

Notes: DU = Dwelling Unit; KBSQ = 1,000 square feet of building area

<sup>1</sup> Residential density is based on census data the 2020 U.S. Census American Community Survey 5-Year Estimate for the City of Anderson. Retail / commercial, office, and industrial density figures are based on the 2001 "Employment Density Study" prepared by the The Natelson Company, Inc. for the Southern California Association of Governments express in terms of the number of employees per square foot of building area.

<sup>2</sup> See Figure 3.

## EXISTING FACILITIES DEMAND EDUs

Figure 5 below calculates the District's existing demand EDUs based on the total number of dwelling units and estimated nonresidential building area within the District. As shown, the total existing demand EDUs for the District is 5,529. Existing demand EDUs represent the level of existing development served by the District's existing fire system.

FIGURE 5 – EXISTING DEMAND EDUs

Land Use	Unit	Existing Units <sup>1</sup>	Fire Facilities EDU Demand Factor <sup>2</sup>	Total Existing Demand EDUs
	Calc	a	b	c = a * b
Single Family Housing	DU	3,372	1.00	3,372
Multi-Family Housing	DU	1,463	0.68	995
Mobile Home	DU	364	0.76	277
Nonresidential	KBSF	1,923	0.46	885
<b>Total</b>		<b>7,122</b>		<b>5,529</b>

Notes:

<sup>1</sup> See Figure 2.

<sup>2</sup> See Figure 4.



## DETERMINATION OF EXISTING FIRE PROTECTION FACILITIES

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The next step in determining the District's existing fire facilities standard is to calculate the replacement value of the District's fire protection facilities, apparatus, and equipment. Figure 6 below presents a summary of replacement costs (in 2023 dollars) for the District's existing fire facilities (land and fire stations), apparatus (engines and special vehicles), and equipment.

Fire station replacement costs are based on the construction cost for a recently constructed fire station in Willits, California, and adjusted 18.3 for cost inflation. The estimated land value is based on market research conducted by SCI Consulting Group assessed land value for sales within 2022. The estimated replacement value of the District's apparatus, vehicles, and equipment inventory is based on unit cost assumptions provided by the District. Estimated values of older apparatus have been discounted from the replacement value of the new apparatus to reflect their age. (The detailed inventory and estimated replacement value for each are provided in Appendix B.)

As shown below, the estimated replacement value of the District's existing fire protection facilities, apparatus, and equipment is approximately \$9.18 million in 2023 dollars.

**FIGURE 6 – REPLACEMENT VALUE OF EXISTING FIRE SYSTEM**

<b>Cost Components</b>	<b>Total Replacement Value (2023 \$)<sup>1</sup></b>
Land Value	\$119,250
Building Value	\$6,749,060
Apparatus / Vehicles Value	\$1,880,000
Equipment Value	\$433,000
<b>Total Fire System Facilities</b>	<b>\$9,181,310</b>

Source: Anderson FPD; SCI Consulting Group

Notes:

<sup>1</sup> See Appendix B for more detail.

## DETERMINATION OF THE FIRE IMPACT FEE

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The Act requires that development impact fees be determined in a way that ensures a reasonable relationship between the need for fire protection facilities, apparatus and equipment, and the type of development project on which the fee is imposed. In this section, the District's existing fire facilities standard is determined and then applied to four residential and three nonresidential land use categories in proportion to the demand they create as measured by their EDU demand factor.

### EXISTING FACILITIES STANDARD

The District's ratio of existing fire facilities, apparatus, and equipment to the District's service population establishes the standard for determining new development's fair share of the cost to expand the District's fire facilities as growth occurs. As shown in Figure 7 below, this standard is represented by the existing fire system facilities cost of \$1,660.57 per demand EDU.

**FIGURE 7 – EXISTING FACILITIES STANDARD**

Existing Fire System Facilities <sup>1</sup>	\$9,181,310
Existing Demand EDUs <sup>2</sup>	5,529
<b>Existing Facilities Standard</b>	<b>\$1,660.57</b>

Notes:

<sup>1</sup> See Figure 6.

<sup>2</sup> See Figure 5.

### RESIDENTIAL FIRE IMPACT FEE DETERMINATION

Since residential land uses have different dwelling unit occupancies and living areas, the residential fire impact fees are expressed on a per square footage basis for four residential land use categories. The four residential land use categories are defined below.

- **"Single-family housing"** means detached or attached one-family dwelling unit with an assessor's parcel number for each dwelling unit.
- **"Multifamily housing"** means buildings or structures designed for two or more families for living or sleeping purposes and having kitchen and bath facilities for each family.
- **"Mobile home"** means a development area for residential occupancy in vehicles that require a permit to be moved on a highway, other than a motor vehicle designed or used for human habitation and for being drawn by another vehicle.

- **"Accessory dwelling unit" or "ADU"** means a dwelling unit, or granny flat, either a detached or attached dwelling unit, which provides complete, independent living facilities for one or more persons with provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the primary residence.

The residential fire impact fee shall be charged on the square footage within the perimeter of a residential structure. Garages, carports, walkways, overhangs, enclosed patios, detached storage structures, or similar areas are excluded.

Figure 8 below presents the calculation of the maximum residential fire impact fee. As shown, the residential fee is determined by multiplying the fire facility standard by their respective EDU demand factor plus an additional 4 percent for administration of the fire impact fee program. The fee program administrative cost component is designed to offset the cost of District and City and County collection, documentation, annual reporting requirements, five-year report requirements, periodic Nexus Study updates, and other costs reasonably related to compliance with the Act.

**FIGURE 8 – MAXIMUM RESIDENTIAL FIRE IMPACT FEE**

Residential Land Use Categories	Existing Facilities Standard <sup>1</sup>	EDU Demand Factor <sup>2</sup>	Cost per Dwelling Unit	Fee Program Admin. 4%	Average Living Area (Sq. Ft.) <sup>3</sup>	Maximum Fire Impact Fee <sup>4</sup>
Calc	a	b	c = a * b	d = c * 0.04	e	f = (c + d) / e
			----- per dwelling unit -----			- per sq. ft. -
Single Family Housing	\$1,662.68	1.00	\$1,662.68	\$66.51	1,575	\$1.09
Multi-Family Housing	\$1,662.68	0.68	\$1,130.62	\$45.22	1,000	\$1.17
Mobile Home	\$1,662.68	0.76	\$1,263.64	\$50.55	1,400	\$0.93

Notes:

<sup>1</sup> See Figure 7.

<sup>2</sup> See Figure 4.

<sup>3</sup> Average living areas from data from the Shasta County Assessor and expressed in terms of square feet.

<sup>4</sup> The maximum residential fire impact fee is rounded down to the nearest cent.

## NONRESIDENTIAL FIRE IMPACT FEE DETERMINATION

As stated earlier, the Act requires that development impact fees be determined in a way that ensures a reasonable relationship between the fee and the type of development on which the fee is imposed. Since different nonresidential land uses have varying employment densities and structural area, the nonresidential fire impact fee is expressed per square foot of building area for three nonresidential land use categories. The three nonresidential land use categories are defined below.

- **"Retail / Commercial"** means retail, commercial, educational, and hotel/motel construction.
- **"Office"** means general, professional, and medical office construction.
- **"Industrial"** means manufacturing construction.

The nonresidential fee shall be charged for "covered and enclosed space" within the perimeter of a nonresidential structure. Garages, parking structures, unenclosed walkways, utility or disposal areas, and storage areas incidental to the development's principal use are excluded.

Figure 9 on the following page presents the nonresidential fire impact fee calculation. As shown, the fee for the three nonresidential land uses is determined by multiplying the existing facilities standard by their respective EDU demand factor plus an additional four percent for fee program administration. Note that the costs are expressed per 1,000 square feet of nonresidential building area and then converted to a per-square-footage fee.

**FIGURE 9 – MAXIMUM NONRESIDENTIAL FIRE IMPACT FEE**

Nonresidential Land Use Categories	Existing Facilities Standard <sup>1</sup>	EDU Demand Factor <sup>2</sup>	Cost per Unit	Fee Program Admin. 4%	Total Cost per Unit	Maximum Fire Impact Fee <sup>3</sup>
Calc	a	b	c = a * b	d = c * 0.04	e = c + d	f = e / 1,000
			per 1,000 sq. ft.			- per sq. ft. -
Retail / Commerical	\$1,662.68	0.56	\$931.10	\$37.24	\$968.34	<b>\$0.96</b>
Office	\$1,662.68	0.46	\$764.83	\$30.59	\$795.43	<b>\$0.79</b>
Industrial	\$1,662.68	0.31	\$515.43	\$20.62	\$536.05	<b>\$0.53</b>

Notes:

<sup>1</sup> See Figure 7.

<sup>2</sup> See Figure 4.

<sup>3</sup> The maximum nonresidential fire impact fee is rounded down to the nearest cent.

### COMPARISON OF CURRENT AND MAXIMUM FIRE IMPACT FEE

The figure below compares the District's current fire impact fee with the maximum fire impact fee justified by this Nexus Study. The new residential fire impact fee is expressed on a square-footage basis replacing the current dwelling unit basis. The nonresidential fee is separated into retail/commercial, office, and industrial development fees. Accessory dwelling unit "ADU" of 750 square feet or more must be charged proportionately in relation to the square footage of the primary dwelling unit. The construction of an ADU less than 750 square feet of living area is exempt from the fire impact fee.

**FIGURE 10 – CURRENT AND MAXIMUM FIRE IMPACT FEE**

Land Use Category <sup>1</sup>	Fire Impact Fee <sup>2</sup>
<b><u>Current Schedule (Effective 2011)</u></b>	
Residential	\$918.15 per DU
Commercial	\$0.73 per BSQFT
Industrial	\$0.73 per BSQFT
<b><u>Proposed Fee Schedule (2023)</u></b>	
Single Family Housing	\$1.09 per BSQFT
Multi-Family Housing	\$1.17 per BSQFT
Mobile Home	\$0.93 per BSQFT
ADU (750 sq.ft. or greater)	\$1.09 per BSQFT
ADU (less than 750 sq.ft.)	- - - - Exempt - - - -
Retail / Commercial	\$0.96 per BSQFT
Office	\$0.79 per BSQFT
Industrial	\$0.53 per BSQFT

Notes:

<sup>1</sup> ADU means accessory dwelling unit.

<sup>2</sup> DU means dwelling unit. BSQFT means living area square feet or building area square feet.

FIGURE 11 – COMPARISON OF CURRENT AND MAXIMUM FIRE IMPACT FEE

Land Use	Current (2011)	Maximum (2023)	% Change
<b>Residential Development</b>	<b>Per Sq. Ft. of Living Area</b>		
Single-Family Housing	\$0.58	\$1.09	87.0%
Multi-Family Housing	\$0.92	\$1.17	27.4%
Mobile Homes	\$0.66	\$0.93	41.8%
<b>Nonresidential Development</b>	<b>Per Sq. Ft. of Building Area</b>		
Retail / Commercial	\$0.73	\$0.81	11.0%
Office	\$0.73	\$0.89	21.9%
Industrial	\$0.73	\$0.65	-11.0%
<b>Example - Fee for Average Housing Unit</b>			
<b>Residential Development</b>	<b>Per Average Housing Unit</b>		
Single-Family Housing	\$918.15	\$1,727	88.1%
Multi-Family Housing	\$918.15	\$1,174	27.9%
Mobile Homes	\$918.15	\$1,313	43.0%

## PROJECTED FEE REVENUE

Figure 12 projects fire impact fee revenue through 2040 for the District. Based on household and employment projections from the City, residential demand assumes an annual growth rate of 0.42 percent. It is assumed that nonresidential development will occur proportionately. Total fire impact fee revenue is then calculated by multiplying demand EDU growth by the existing facilities standard. As shown, fire impact fee revenue will contribute approximately \$874,000 (in 2023 dollars) towards the District's future long-term capital improvement plan, representing new development's fair share of the plan.

Certainly, arguments can be made for higher or lower demand growth. However, the projected demand growth and fee revenue are merely estimates for planning purposes. The fee program is designed not to depend on a specific capital improvement plan and a specific level of new development. Only enough fee revenue will be generated for the District to expand its existing service level to serve the growing service population.

**FIGURE 12 – PROJECTED FIRE IMPACT FEE REVENUE**

Land Use Category	Current Demand EDUs (2023) <sup>1</sup>	Demand EDU Growth (2040) <sup>2</sup>	Existing Facilities Standard <sup>3</sup>	Projected Fee Revenue (2023\$) <sup>4</sup>
	Calc	a	b	c
Residential	5,199	384	\$1,660.57	\$638,000
Nonresidential	1,923	142	\$1,660.57	\$236,000
<b>Total District</b>	<b>7,122</b>	<b>526</b>	<b>\$1,660.57</b>	<b>\$874,000</b>

Source: City of Anderson Housing Element; SCI Consulting Group

Notes:

<sup>1</sup> See Figure 5.

<sup>2</sup> Based on a projected annual growth rate of 0.42% percent.

<sup>3</sup> See Figure 7.

<sup>4</sup> Rounded to the nearest thousand.

Fee revenue may be used to fund up to 100 percent of the cost of new (added) or expansion of fire stations or new apparatus and equipment added to the District's inventory. Additionally, the District may need to replace apparatus and vehicles more quickly due to increased service calls from the growth in the persons and structure area created by new development. The District may use fee proceeds to fund up to 6.9 percent of apparatus and

vehicle replacement costs.<sup>5</sup> This amount represents costs attributable to the increased demand for existing apparatus and vehicle replacement to maintain the District's existing level of service.

Fee revenue may not be used to fund 1) existing deficiencies such as station renovations and 2) operational, maintenance, or repair costs. (The use of the fee is detailed further in the next section.) The District will need to fund existing deficiencies and any other purchases and improvement costs above the District's existing level of service with other funding sources. Other potential sources of funds include, but are not limited to, a general obligation bond measure, state and federal grants, the District's general fund, and existing or new special tax and assessment proceeds, if allowable

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<sup>5</sup> Represents the percentage growth in EDUs.



## NEXUS FINDINGS

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This section frames the Nexus Study findings in terms of the legislated requirements to demonstrate the legal justification of the fire impact fee. These requirements are discussed below.

### PURPOSE OF FEE

The purpose of the fire impact fee is to fund the cost of fire protection and emergency response facilities, apparatus, and equipment attributable to new residential and nonresidential development in the District. The fire impact fee will ensure that new development will not burden existing development with the cost of expanded facilities, apparatus, and equipment required to accommodate growth as it occurs within the District.

### USE OF FEE REVENUE

Fee revenue will be used solely and exclusively to fund facilities (land, stations, and other buildings), apparatus (engines and other vehicles), and equipment costs that expand the District's fire system capacity. Below is a summary of the allowable and prohibited uses of fee revenue.

FIGURE 13 – SUMMARY OF ALLOWABLE AND PROHIBITED USES OF FEE REVENUE

<u><i>Allowable Uses</i></u>	<u><i>Prohibited Uses</i></u>
<ul style="list-style-type: none"> <li>• <i>New (added) or expanded land and facilities costs (100%)</i></li> <li>• <i>Apparatus, vehicles, and equipment purchases that expand the system inventory (100%)</i></li> <li>• <i>Facility costs already incurred to provide growth-related capacity (100%)</i></li> <li>• <i>A portion of apparatus, vehicles, and equipment replacement costs attributable to new development (6.9%)</i></li> <li>• <i>A portion of a renovation project that expands service capacity</i></li> <li>• <i>Collection, accounting, documentation, annual reporting requirements, five-year report requirements, periodic nexus studies, and other costs reasonably related to compliance with the Act.</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Existing deficiencies, such as improvements to existing facilities that do not expand service capacity</i></li> <li>• <i>A portion of apparatus, vehicles, and equipment replacement costs attributable to existing development (93.1%)</i></li> <li>• <i>Operational, maintenance, or repair costs</i></li> </ul>

### **BENEFIT RELATIONSHIP**

The fee will be collected as development occurs. To maintain its existing level of fire protection and emergency response services, fee revenue will be used to expand the District's facilities, apparatus, and equipment to meet the additional demand generated by the new residents and employees and new structural area created by new development projects.

Fee revenue will be deposited into a separate fire impact fee account or fund in a manner to avoid any commingling of the fees with other revenues and funds. The fee revenue will be restricted to the uses described in the "Use of Fee Revenue" finding. Additionally, the Act ensures that fee revenue is expended expeditiously or refunded to the developer. These Act requirements ensure that a development project paying the fire impact fee will benefit from its use. Moreover, since the District's fire protection and emergency response resources are organized as an integrated fire system, improvements and purchases with the District benefit the entire fire system.

### **IMPACT OR NEED RELATIONSHIP**

New residential and nonresidential development projects in the District will increase the number of persons (residents and employees) and the structural area (residential area and nonresidential building area) in which persons live or work. The growth in persons and structural area will create additional need for the District's fire protection and prevention, emergency response service, and a corresponding need for new or expanded facilities and replacement of apparatus, vehicles, and equipment in order to maintain the District's existing service level. The fee will be imposed on different types of development projects for the additional service population generated and structural area created by new development projects.

### **ROUGH PROPORTIONALITY**

The cost of fire protection facilities, apparatus, and equipment attributable to a development project is based upon the level of existing development served by the District's existing fire system. The use of an existing facilities standard methodology to determine the fire impact fee achieves proportionality between existing development and new development. Moreover, these equivalent costs are applied to seven land use categories in proportion to the need they create for expanded facilities.

The use of a fire facilities demand factor to determine the fire impact fee schedule achieves proportionality across the types of development on which the fee is imposed. Larger development projects will generate a higher number of residents and structural area to

protect and, as a result, will pay a higher fee than smaller development projects. Thus, the application fire impact fee schedule to a specific project ensures a reasonable relationship between the fee and the cost of the facilities, equipment, and apparatus attributable to that project.

## FEE PROGRAM ADOPTION REQUIREMENTS

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The following are the general requirements for approval of the Nexus Study and proposed fire impact fee program ("fee program") by the District Board of Directors and adoption by the City Council and County Board of Supervisors on behalf of the District. The specific statutory requirements for establishing the new fee program may be found in the Mitigation Fee Act (California Govt. Code § 66000 et seq.).

### ANDERSON FIRE PROTECTION DISTRICT

1. The District Board of Directors shall receive a presentation on the Nexus Study and proposed fire impact fee.
2. The District Board of Directors shall adopt a resolution approving the Nexus Study and proposed fee program with a recommendation that the City Council and County Board of Supervisors adopt the proposed fee program on behalf of the District.

### CITY OF ANDERSON

1. The Council shall conduct at least "one open and public meeting" as part of a regularly scheduled meeting on the requested fee program.
2. At least 30 days before the meeting, the City shall mail a notice of the meeting to any interested party who filed a written request for notice of the adoption of new or increased fees.
3. At least 30 days before the meeting, the City shall make the Nexus Study available to the public for review.
4. At least 30 days before the public hearing, a notice of the meeting's time and place shall be published twice in a newspaper of general circulation, with at least five days intervening between the dates of the first and last publication, not counting such publication dates.
5. After the public hearing, adopt an ordinance or resolution establishing the proposed fee program on behalf of the District.
6. The fee shall become effective 60 days after the adoption or longer as specified.

### COUNTY OF SHASTA

1. The Board of Supervisors shall conduct at least "one open and public meeting" as part of a regularly scheduled meeting on the requested fee program.

2. At least 30 days before the meeting, the County shall mail a notice of the meeting to any interested party who filed a written request for notice of the adoption of new or increased fees.
3. At least 30 days before the meeting, the County shall make the Nexus Study available to the public for review.
4. At least 30 days before the public hearing, a notice of the meeting's time and place shall be published twice in a newspaper of general circulation, with at least five days intervening between the dates of the first and last publication, not counting such publication dates.
5. After the public hearing, adopt an ordinance or resolution establishing the proposed fee program on behalf of the District.
6. The fee shall become effective 60 days after the adoption or longer as specified.

## FEE PROGRAM ADMINISTRATION REQUIREMENTS

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This section contains general requirements for the administration of the fee program. The specific statutory requirements for administering the fee program may be found in the Mitigation Fee Act (California Govt. Code § 66000 et seq.).

### ACCOUNTING REQUIREMENTS

Proceeds from the new fire impact fee should be deposited into a separate fund account so that there will be no commingling of fees with other revenues or unexpended balances of the District's existing fire impact fee funds. Once the old existing fee program fund accounts have been spent, the fund accounts should be closed.

The fire impact fees should be expended solely for the purpose for which they were collected. Any interest earned by such account should be deposited in that account and expended solely for the purpose for which originally collected.

### REPORTING REQUIREMENTS

The following information, entitled "***Annual Report***," must be made available to the public within 180 days after the last day of each fiscal year:

- a brief description of the type of fee in the account;
- the amount of the fee;
- the beginning and ending balance of the account;
- the fees collected that year and the interest earned;
- an identification of each public improvement for which the fees were expended and the amount of the expenditures for each improvement;
- an identification of an approximate date by which development of the improvement will commence if the local agency determines that sufficient funds have been collected to complete financing of an incomplete public improvement;
- a description of each inter-fund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, the date on which any loan will be repaid, and the rate of interest to be returned to the account; and
- the amount of money refunded under section Govt. Code § 66001.

The Annual Report shall be made available to the public pursuant at the next regularly scheduled public meeting, not less than 15 days after it is made available to the public. Notice of the time and place of the meeting, including the address where the Annual Report may be reviewed, shall be mailed, at least 15 days before the meeting, to any interested party who files a written request for mailed notice of the meeting. Any written request for mailed notices shall be valid for one year from the date it is filed unless a renewal request is filed. Renewal requests for mailed notices shall be filed on or before April 1 of each year. A reasonable annual charge for sending notices based on the estimated cost of providing the service may be established.

For the fifth fiscal year following the first receipt of any fire impact fee proceeds, and every three years thereafter, the District must comply with Government Code Section 66001(d)(1) by affirmatively demonstrating that the District still needs unexpended fire impact fees to achieve the purpose for which it was originally imposed and that the District has a plan on how to use the unexpended balance to achieve that purpose. Specifically, the District shall make the following findings, entitled "*Five-Year Findings Report*," with respect to that portion of the account or fund remaining unexpended, whether committed or uncommitted:

- Identify the purpose to which the fee is to be put;
- Demonstrate a reasonable relationship between the fee and the purpose for which it is charged;
- Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements; and
- Designate the approximate dates on which the funding is expected to be deposited into the appropriate account or fund.

A refund shall be provided for all or any part of such unexpended or unappropriated fee revenue, together with any actual interest accrued thereon, in the manner described in Section 66001 (e) of the Government Code, to the current record owner of any property for which a fee was paid; provided that if the administrative costs of refunding such fee revenue exceed the amount to be refunded.

The Five-Year Findings Report must be made available to the public in connection with the Annual Report for the fifth fiscal year.

## TRANSPARENCY REQUIREMENTS

The District must clearly post the following information on the District's website regarding the fee program. Updates to the information must be made available within 30 days of any change.

- The current fee schedule or direct link indicating the effective date when adopted by the Council and Board of Supervisors.
- Current and five previous Annual Reports.
- Current and any previous Nexus Study conducted after January 1, 2018.

## AUTOMATIC ANNUAL INFLATIONARY ADJUSTMENT

The fire impact fee should be adjusted automatically without any further action by the District Board, the City Council, and the County Board of Supervisors on the first day of each fiscal year by the net percentage change during the preceding calendar in the Engineering News-Record Construction Cost Index or its successor publication.

## FEE EXEMPTIONS

The following development projects are exempted from payment of the fee:

- A structure owned by a governmental agency.
- A structure being replaced or reconstructed following damage or destruction by fire or another casualty, or the voluntary demolition thereof, provided that the number of structures or the size in such reconstructed structure is no greater than the number of structures or the size of the structure before such damage, destruction or demolition. If a structure has been vacant for more than five years, the exemption shall not apply.
- Accessory dwelling units 750 square feet or less.
- A development project found to have no impact on the District's fire system.

## FEE CREDITS

A fee credit shall be given for demolished existing square footage as part of a new development project to comply with the Act and recent court cases. The fee credit shall be based on the effective fee for the land use category that was demolished.



#### **IMPROVEMENTS IN-LIEU OF FEES**

Subject to certain restrictions, if a developer dedicates land, constructs facilities, or provides apparatus/equipment for the District, the fire impact fees imposed on that development project shall be adjusted to reflect a credit for the dedicated land's cost constructed or apparatus/equipment provided.

#### **FEE PROGRAM UPDATES**

This Nexus Study and fee program must be updated at least every eight years. The next Nexus Study update is due no later than January 1, 2031.

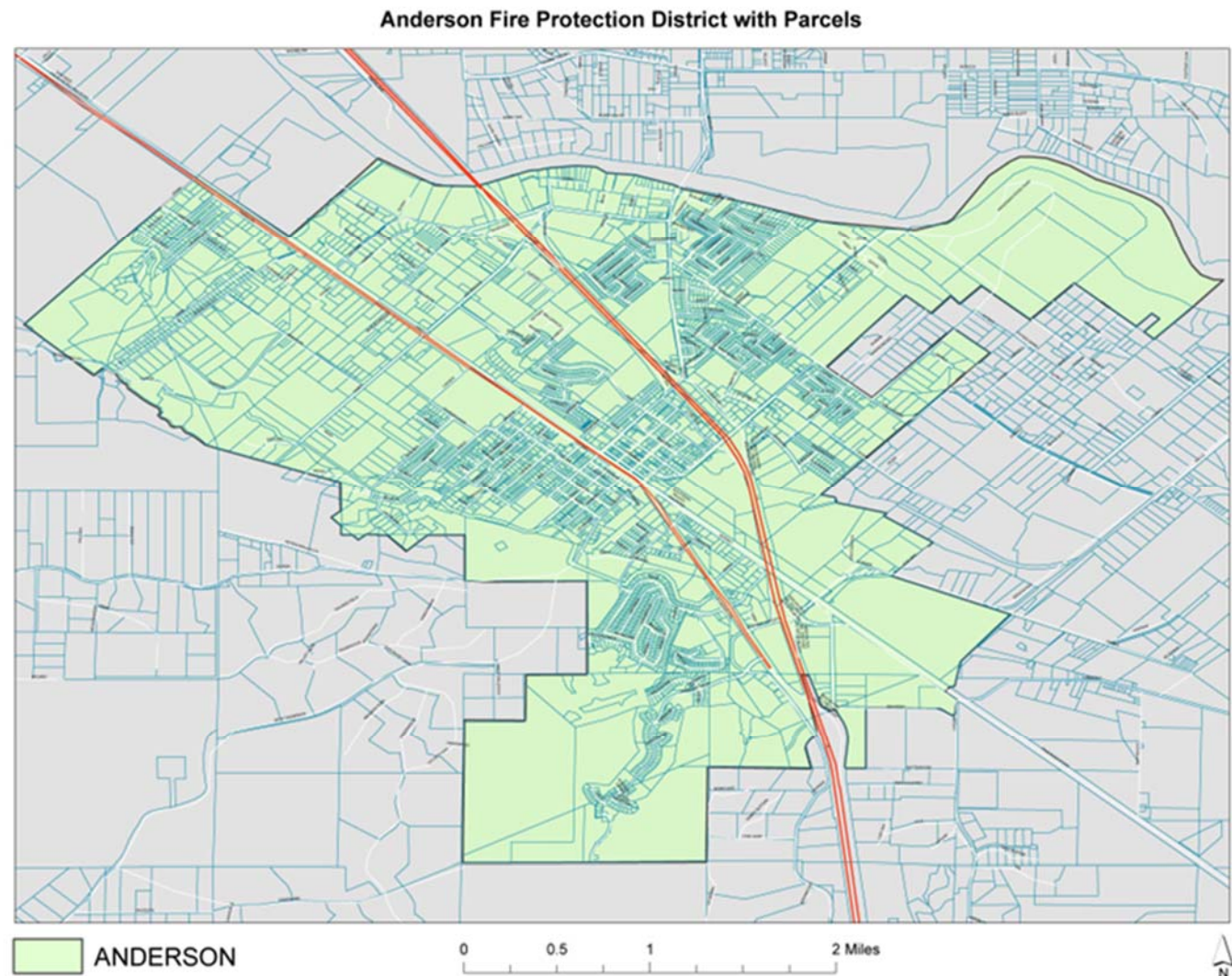
## APPENDICES

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Appendix A – Map of Fee Program Area

Appendix B – Fire System Inventory and Replacement Cost Estimates

APPENDIX A – MAP OF FEE PROGRAM AREA



## APPENDIX B – FIRE SYSTEM INVENTORY AND REPLACEMENT COST ESTIMATES

FIGURE 14 – EXISTING FIRE STATION INVENTORY

Fire Station	Units	Unit Cost <sup>1</sup>	Replacement Cost (2023\$)
Calc	a	b	c = a * b
<b>Station and Headquarters, 1925 Howard Street, Anderson</b>			
Land	0.45 acres	\$265,000 per acre	\$119,250
Station	7,540 sq. ft.	\$789 per sq. ft.	\$5,949,060
Shop	4,000 sq. ft.	\$200 per sq. ft.	\$800,000
<b>Total Replacement Cost (Land and Buildings)</b>			<b>\$6,868,310</b>

Source: Anderson Fire Protection District; SCI Consulting Group

FIGURE 15 – APPARATUS, VEHICLE, AND EQUIPMENT INVENTORY

Unit ID	Type	Make / Model	Apparatus / Vehicles <sup>1</sup>	Equipment	Replacement Value (2023\$)
T46	Water Tender	Kenworth Water Tender	\$335,000	\$75,000	\$410,000
D46	Hazmat Trailer	Decon Trailer	\$1,250	\$0	\$1,250
E346	Type 3 Engine	Pierce Pumper	\$100,000	\$55,000	\$155,000
U346	Command Vehicle	Ford 150	\$11,250	\$12,000	\$23,250
E46	Type 1 Engine	Spartan Pumper	\$800,000	\$95,000	\$895,000
U446	Command Vehicle	Ford Explorer	\$20,000	\$12,000	\$32,000
U246	Command Vehicle	Ford Utility/PPT	\$22,500	\$12,000	\$34,500
246	Type 2/3 Engine	International Model 4400 SBA	\$300,000	\$65,000	\$365,000
U46	Command Vehicle	Ford 250	\$52,500	\$12,000	\$64,500
L46	Type 1 Ladder Truck	Pierce 75" Aerial Apparatus	\$237,500	\$95,000	\$332,500
<b>Total Apparatus and Equipment</b>			<b>\$1,880,000</b>	<b>\$433,000</b>	<b>\$2,313,000</b>

Source: Anderson Fire Protection District

Notes:

<sup>1</sup> Value based on estimated current replacement value. Adjustments have been made to discount apparatus and vehicles based on age (0 - 5 years at 100% , 6-10 years at 75% ; 11 - 15 years at 50% and 16 years or more at 25% .) Excludes apparatus and vehicles owned by other parties for the Department's use or determined by the Department to have no inventory or sales value.

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