

ORDINANCE NO. 689

**AN ORDINANCE OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF SHASTA
ADOPTING AN IMPACT FEE FOR
THE ANDERSON FIRE PROTECTION DISTRICT**

WHEREAS, the Board of Directors of the Anderson Fire Protection District (the "District") is responsible for providing fire protection services for all of the territory within its jurisdiction; and

WHEREAS, the District has determined that it does not have existing fire protection facilities and equipment that could be used to provide an adequate level of service to new development projects within the District's boundaries; and

WHEREAS, the District has prepared, reviewed, and approved an Impact Fee Update Study for the District, dated September 21, 2010 (the "Fee Study"); and

WHEREAS, the Fee Study describes fire protection facilities and equipment needed to serve new development within the jurisdiction of the District and the Fee Study details the relationship between the use of the proposed fees and the types of development on which the fees are imposed, and the relationship between the amount of the fees and the costs of the public facilities and equipment; and

WHEREAS, on May 10, 2011, the District adopted the Fee Study; and

WHEREAS, the District hereby requests that the Board of Supervisors of the County of Shasta implement the fire protection mitigation fees on behalf of the District and to ensure the assessment and collection of these fees by the District in connection with the issuance of building permits. The fire mitigation fees are to be allocated to the fire district for the acquisition and construction of capital facilities and equipment, as identified in the Fee Study in order to ensure the provision of the capital facilities and equipment necessary to maintain current levels of fire protection services that are required as the result of new development projects; and

WHEREAS, the Board of Supervisors of the County of Shasta has reviewed and considered the Fee Study and finds that the Fee Study describes fire protection facilities and equipment needed to serve new development within the jurisdiction of the District and the Fee Study details the relationship between the use of the proposed fees and the types of development on which the fees are imposed, and the relationship between the amount of the fees and the costs of the public facilities and equipment.

The Board of Supervisors of the County of Shasta ordains as follows:

SECTION 1. The Board of Supervisors adopts the Anderson Fire Protection District Resolution No. 2011-1 and corresponding Fee Study, which are incorporated herein by reference and attached hereto as Exhibit A.

SECTION 2. The impact fee to be charged by the District is \$918.15 per residential unit and \$0.73 per square foot for commercial/industrial buildings.

SECTION 3. The fees authorized herein shall be collected by the District at the time of issuance of a building permit or other permit for construction or reconstruction or at such time as provided by a development agreement or as permitted by Government Code section 66007.

SECTION 4. This ordinance shall be in full force and effect from and after sixty (60) days after its passage. The Clerk shall cause this ordinance to be published as required by law.

DULY PASSED AND ADOPTED this 28th day of June, 2011 by the Board of Supervisors of the County of Shasta by the following vote:

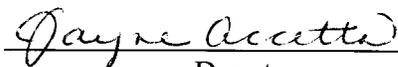
AYES: Supervisors Moty, Hawes, Hartman, Baugh, and Kehoe
NOES: None
ABSENT: None
ABSTAIN: None
RECUSE: None



LES BAUGH, CHAIRMAN
Board of Supervisors
County of Shasta
State of California

ATTEST:

LAWRENCE G. LEES
Clerk of the Board of Supervisors

By: 
Deputy

Resolution 2011-1

**A RESOLUTION OF THE ANDERSON FIRE PROTECTION DISTRICT
AMENDING EXISTING CAPITAL IMPACT AND
DEVELOPMENT SERVICE REVIEW FEES**

WHEREAS The Anderson Fire Protection District is an independent District as defined in Section 66000(c) of the California Government Code; and,

WHEREAS the District is responsible for providing fire protection services for all of the territory within its District; and,

WHEREAS growth within the District has the potential to exceed the ability of the District to provide equipment and buildings and therefore to maintain the existing level of service; and,

WHEREAS the California Government Code provides a means of mitigating the impact of growth on the District under Section 66000 of the California Government Code; and,

WHEREAS the District adopted impact fees on November 12, 2002; and,

WHEREAS the District has collected fees in the manner prescribed by state law since adoption; and,

WHEREAS the District has not amended or increased fees since adoption in 2002; and,

WHEREAS the District incurs cost for review of development projects; and,

WHEREAS the fees to offset the cost of review of the development projects have not been amended or increased since 2002; and

WHEREAS the purpose and need for the fees remains even though the pace of development has delayed ability of the District to implement the fees; and,

WHEREAS the Impact Fee Study has demonstrated a reasonable relationship between the planned growth within the District and the cost of providing new capital improvements and establishes the purpose of the fee; and,

WHEREAS Resolution 2010-2 be rescinded and adopt this resolution, making no changes to the adopted fees; and,

NOW THEREFORE BE IT RESOLVED that the Anderson Fire Protection District hereby does as follows,

1. Adopts the Impact Fee Study, included as Exhibit A to this Resolution.
2. Adopts the Service Fees as indicated in Table 4 of Exhibit A to this Resolution,
3. That the Anderson Fire Protection District agrees to indemnify and defend the City of Anderson and its officers, agents and employees from any claim, action or proceeding that arises from, or is in any way related to, these mitigation fees.
4. That the Anderson Fire Protection District agrees to indemnify and defend the County of Shasta and its officers, agents and employees from any claim, action or proceeding that arises from, or is in any way related to, these mitigation fees.
5. That the Anderson Fire Protection District make its records that justify the basis for the mitigation fee amount available to the County upon request; and
6. For the fifth fiscal year following the first deposit into the "AFPD Fire Mitigation Fee" account, and for every five (5) years thereafter, the Anderson Fire Protection District shall make all of the following findings with respect to any cash portion of the mitigation fees remaining unexpended or uncommitted in the account:
 - 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 was charged,
 - c. Identify all sources and amounts of funding anticipated to complete financing of all incomplete improvements, and
 - d. Designate the approximate dates on which complete funding is expected to be deposited into the account.

If the findings in subsections 6(a) through (d) above are not made, the Anderson Fire Protection District shall refund, on a prorata basis, to the current record owner or owners of the development projects for which the fees were paid, the unexpended and uncommitted portion of the fees and any interest accrued for which a need cannot be demonstrated.

7. Requests that the City of Anderson adopt the fees as defined in Exhibit A.
8. Requests that Shasta County adopt the fees as defined in Exhibit A.

On this 10th day of May, 2011.

Ayes: Chairwoman Marsha Kelley, Vice Chairman Don Matheson, Secretary Paul Bosetti,
Board Member Mike Hubert, and Board Member Jeff Hogue

NOES: None

Abstain: None

Attest: Karen J. Ellena, District Secretary

Impact Fee Update Study

(To be *Exhibit A* of the Resolution)

Anderson Fire Protection District

September 21, 2010

1. Introduction

The Anderson Fire Protection District (District) provides comprehensive fire and emergency response services to the City of Anderson and to the area within the unincorporated areas of the District. The District also provides mutual aid for adjacent fire districts or emergency personnel. On November 12, 2002, the District adopted mitigation impact fees to address projected growth in the District.¹

2. Background and Purpose

a. Requirement for Periodic Update/Review

Section 66001 of the Government Code requires that an agency review impact fees every five years and make a series of findings regarding the purpose of the fee(s) and the anticipated dates of completion of the improvement. These findings are the primary purpose of this updated report. The secondary purpose is to review the fees, adjust for new capital improvements, and adjust the fees to reflect changes in item costs and inflation.

b. Adjustment for Changes in Construction Costs

The use of impact fees to fund capital improvements means that the District must accumulate funds over time before it can build the improvement. Construction and equipment costs often increase while the District is collecting the fees, and unless the fees are adjusted, there can be a shortfall between the amount collected and the cost of the capital improvement. An index known as the Engineering News Record (ENR) tracks the cost of construction in regions across the country and is often used as a means of keeping current with changes in construction cost. The ENR is similar to the cost of living indices or consumer price index but is focused specifically on construction. The ENR used in this instance represents the average building construction index (BCI)

¹ Resolution No. 2002-6, November 12, 2002.

from 20 cities.² The ENR-BCI is adjusted to reflect the cost of local materials and labor. The closest city to the District in the 20-city ENR-BCI is San Francisco.³ It is important to note that it's the *change* in construction cost that is indexed, not the actual cost of construction. Construction costs in the District are likely to be different than those of San Francisco; however the overall change in construction costs, based on materials and labor, will be similar.

At the time of adoption of the impact fee in 2002, the 20-city ENR in San Francisco was 4093.21. The August 2010 ENR for San Francisco is 5600.74, which is a difference of 36.83 percent over the eight-year period $((5600.74-4093.21)/4093.21=.3683)$. If no other changes to the fee are considered and the index is simply used to keep current with the cost of construction, the existing fee of \$356.27 per single-family unit would increase to \$487.48 $(\$356.27*1.3683=\$487.48)$. The District has not adjusted its fee since adoption, which means the existing fee is well below the actual capital cost.

It is important to note two items about the ENR-BCI. The first is that the index does not always increase. Occasionally the index drops, which would result in a reduction in the fee amount. The second is that annual changes are small, typically in the 1–2 percent range, which allows for a gradual increase in the fees over time if reviewed regularly. It can be difficult to adjust the impact fee if several years elapse and the adjustment is much larger than the annual increase. While the ENR-BCI is adjusted monthly, most agencies use the year-end index when adjusting fees. The District will review the fees annually and make adjustments based on the year-end 20-city ENR-BCI for San Francisco.

3. AB 1600 Development Fee Reporting

In accordance with the provisions of the State of California and Government Code Sections 66001 and 66006, as amended by AB 518 and SB 1693 ("AB 1600"), the District is required to publish an annual report for each fund established to account for public facilities fees (also known as development impact fees). The report must include the beginning and ending balances by public facility type for the fiscal year and the amount of fees, interest, other income, and expenditures for each fund.

To be in full compliance with state law, the District must:

² HOW ENR BUILDS THE INDEX: 200 hours of common labor at the 20-city average of common labor rates, plus 25 cwt of standard structural steel shapes at the mill price prior to 1996 and the fabricated 20-city price from 1996, plus 1.128 tons of portland cement at the 20-city price, plus 1,088 board feet of 2 x 4 lumber at the 20-city price.

³ The building and construction cost indexes for ENR's individual cities use the same components and weighting as those for the 20-city national indices. The city indices use local prices for portland cement and 2 X 4 lumber and the national average price for structural steel. The city's BCI uses local union wages, plus fringes, for carpenters, bricklayers, and iron workers.

- Spend or commit development impact fees within five years of collecting them; or
- Adopt a resolution that makes a finding that there remains a reasonable relationship between the current need for the fees and the purpose for which they were originally proposed.

The District generally collects its impact fee at the time of issuance of building permits for new residential and commercial construction. The impact fee is deposited into separate fund accounts.

The pace of development activity impacts the level of development impact fees. This source of funding is subject to considerable variation due to economic cycles. Growth within the District affects the collection of impact fees and consequently the timing of improvements. As the District must collect the funds needed before it can commit to the improvement, a slower rate of growth extends the date as to when improvements can be made.

The District annually reviews and adopts an Operating Budget that includes any projected capital expenditures for the fiscal year.

a. Procedure for Fee Update

Section 66016(a) of the California Government Code requires that the District conduct a public hearing before "levying a new fee or service charge, or prior to approving an increase in an existing fee or service charge . . ." When the original fee was adopted, the District had an appointed board and was more closely aligned with the City of Anderson. As of December 4, 2009, the District Board is elected rather than appointed, which allows for more autonomy, but now makes the District subject to Section 13916 of the Health and Safety Code.

Section 13916 of the Health and Safety Code precludes the District from independently adopting fees for capital improvements. The best explanation available is that the ability to levy a fee comes from the police power of the lead agency. A number of issues and legal inconsistencies could be argued on this point; however to be conservative, any substantial changes in the impact fee must also be adopted by the City of Anderson (for areas within the city) and Shasta County (for the unincorporated areas) after a public hearing.⁴ There is ample precedent for this approach, as the Cottonwood Fire District recently completed a similar fee adoption process with Shasta County.

4. Status of Current Fee Accounts

⁴ The annual change in fees linked to the 20-city ENR-BCI intended to keep pace with the cost of construction is considered a minor component of the fee and part of the enabling fee ordinance and therefore does not need a public hearing.

The District has been collecting fees since enacting the program in 2002. As shown in **Table 1**, the District has collected \$165,554 through fiscal year 2009–2010. As of the date of this report, the District has not expended any of the collected funds.

Table 1
Accounting of Impact Fees Collected 2002–2010

Fiscal Year	Fire Station	Ladder Truck	Personnel Equipment	Total
2002–2003	\$0	\$0	\$0	\$0
2003–2004	\$25,853	\$8,885	\$80	\$34,818
2004–2005	\$28,360	\$9,747	\$88	\$38,195
2005–2006	\$20,274	\$6,968	\$63	\$27,305
2006–2007	\$32,899	\$11,308	\$102	\$44,309
2007–2008	\$5,254	\$1,806	\$15	\$7,075
2008–2009	\$3,770	\$1,296	\$0	\$5,066
2009–2010	\$6,539	\$2,247	\$0	\$8,786
TOTAL	\$122,949	\$42,257	\$348	\$165,554

5. Changes in the Community

Since adoption of the fee, the City of Anderson has adopted a new General Plan as well as the Vineyards Specific Plan. The City estimates that even with the potential for growth represented in these new plans, the annual growth rate will remain at an average 1.48 percent.⁵

While this is slightly higher than the original 1 percent estimated by the District during preparation of the Impact Fee Study, the rates are similar. The recession and subsequent drop in building in the region has stunted growth in the city to nearly zero. As the economy starts to recover, the District anticipates more interest in growth in and adjacent to the city. To be consistent with the city projections, the District will use the 1.48 percent annual growth rate as it averages out the rapid and slow growth periods that have occurred in the last ten years. **Table 2** represents the population and nonresidential growth assumed within the District based on the City of Anderson.

For purposes of fee calculation, the District is using a 20-year buildout starting in 2010 and ending in 2030. Over this period of time, the projections result in 3,699 new residents, 954 new single-family homes, and 491 new multi-family homes. The projections also result in approximately 563,754 square feet of nonresidential development.

⁵ John Stokes, City of Anderson, September 10, 2004.

Table 2

Projected Annual Growth, City of Anderson

Year	Population	Population	Single-Family		Multiple-Family		Commercial & Industrial	
	Rate 1.48%	Increase	Units	Acres	Units	Acres	Acres	Sq. Ft.
2010	10,826							
2011	10,986	160	39	9.75	21	2.1	1.78	23,261
2012	11,149	163	40	10.00	22	2.2	1.83	23,914
2013	11,314	165	43	10.75	22	2.2	1.94	25,352
2014	11,481	167	43	10.75	22	2.2	1.94	25,352
2015	11,651	170	44	11.00	23	2.3	2.00	26,136
2016	11,823	172	45	11.25	23	2.3	2.03	26,528
2017	11,998	175	45	11.25	23	2.3	2.03	26,528
2018	12,176	178	46	11.50	24	2.4	2.09	27,312
2019	12,356	180	47	11.75	24	2.4	2.12	27,704
2020	12,539	183	47	11.75	24	2.4	2.12	27,704
2021	12,725	186	48	12.00	25	2.5	2.18	28,488
2022	12,913	188	49	12.25	25	2.5	2.21	28,880
2023	13,104	191	50	12.50	25	2.5	2.25	29,403
2024	13,298	194	50	12.50	26	2.6	2.27	29,664
2025	13,495	197	51	12.75	26	2.6	2.30	30,056
2026	13,695	200	52	13.00	26	2.6	2.34	30,579
2027	13,898	203	53	13.25	27	2.7	2.39	31,233
2028	14,104	206	53	13.25	27	2.7	2.39	31,233
2029	14,313	209	54	13.50	28	2.8	2.45	32,017
2030	14,525	212	55	13.75	28	2.8	2.48	32,409
Total	3,699	3,699	954	238.50	491	49.1	43.14	563,754

Source: PMC, California Department of Finance Demographic Research Unit, City of Anderson

a. Vineyards

The City of Anderson adopted a Specific Plan and Planned Development Ordinance to govern the development of approximately 2,442 acres southwest of the city, of which 525± acres are located within city limits. The remaining 1,917± acres are located within unincorporated Shasta County and are proposed for annexation to the city. The City also rezoned the 525 acres within the city to Vineyards Planned Development in support of the Specific Plan. Implementation of the project would allow for the construction of 5,288 homes, four parks, nine private recreation areas, several miles of trails, two schools, a fire station, a mixed-use Village Center, approximately 100 acres of agriculture, and 240,000 square feet of limited commercial activities.

Buildout of the Vineyards Specific Plan Area would result in the addition of approximately 14,040 residents based on the 2007 Department of Finance average household size of 2.655 persons per household in the City of Anderson. This growth

would be equivalent to a 133 percent increase in the current population of the entire city.⁶

The majority of the Specific Plan Area has its own financing plan that includes construction of a fire station and funds for operation and maintenance of fire services. The funding mechanisms for the Specific Plan will not be in place unless and until development occurs beyond the first phase. At this point there is no developer or entitlement for development beyond the 242-unit first phase of the Vineyards project known as the Sanderson Subdivision. While the Vineyards project could represent the majority of growth in the city, for purposes of this report, the District assumes that development *will not occur* in the Vineyards Specific Plan Area beyond Phase I and that all growth in Phase I will be served by capital improvements listed in this report and funded by the impact fee. The District's impact fee, and area growth assumptions, may be adjusted if development begins sooner than projected. The District will monitor growth and assess impacts annually as part of the impact fee maintenance and review process.

6. Finding of Continued Necessity

a. New Fire Station

The District has a site identified on North Street (APN 201-580-035) for the new fire station. An RFP for station has been circulated and the District anticipates having a consultant on board by October 2010 to begin the design process. The need for the new fire station remains as the station will serve an area of the community poised for new development and infill projects.

b. Ladder Truck

As development of larger nonresidential buildings occurs, the District will need the ability to project water at greater heights and for longer distances associated with industrial and commercial structures. The ladder truck is specifically intended for this type of structure fire. The need remains and will continue to be an important part of the District's ability to keep pace with commercial and industrial growth in the city and county. The District has allocated 60 percent of the cost of this \$550,000 apparatus to the new nonresidential growth, 25 percent to the existing District, and 15 percent to new residential development. While the ladder truck is predominantly used for commercial and industrial applications, there are occasions where the apparatus is useful for residential development.

⁶ The Vineyards at Anders Draft Environmental Impact Report, page 4.2-6.

c. Staffing

The current fee includes a component to offset the cost of adding new volunteers to the District. Items such as radios, turnouts, and other essential equipment represent a capital expense to the District. The fee is intended to offset the cost of adding new equipment to the District, not replacing existing equipment. The District estimates that each new volunteer requires \$5,000 in equipment. Under this proposal the staffing cost will be absorbed by the District rather than continued as a component of the impact fee. The \$348.00 collected to date will be put toward the new fire station.

7. Changes to Fee

a. New Engine

During review of the impact fees, the District determined that a new Type II Urban Interface fire engine would be needed at the new fire station to accommodate future growth. The engine would be similar to the existing E-446 engine and similar to the one shown in the photograph at right. This engine is estimated to cost \$250,000, with 65 percent allocated to new growth. The addition of this engine to the District would increase the existing impact fee by \$41.52 per new resident, or approximately \$110 per new home within the District. The remaining 35 percent of the purchase price would be borne by the existing District through General Fund or other revenues.



b. Current Fee & Proposed Change

The current fee for the District is \$356.27 per residential unit and \$0.05 per square foot for commercial/industrial buildings. Based on the information in this report, the District will adopt a new fee in the amount of \$918.15 per residential unit and \$0.73 per square foot for commercial/industrial buildings. As noted above, the change represents the increase in construction cost over the previous eight years, as well as the addition of a new Type II fire engine. **Table 3** also indicates the responsibility for a portion of the new improvements borne by the existing District.

**Table 3
Anderson Fire Protection District
Mitigation Impact Fee Program**

Capital Cost		Cost Assigned				Fee	
New Fire Station							
\$1,600,000	\$1,040,000	65%	To Serve	3,699	Residents	\$281.16	Per Resident*
	\$480,000	30%	Existing District				
	\$80,000	5%	To Serve	563,754	Sq. Ft./Comm & Ind	\$0.14	Per Sq. Foot
Fire Engine							
\$250,000	\$162,500	65%	To Serve	3,699	Residents	\$43.93	Per Resident*
	\$87,500	35%	Existing District				
	\$ -	0%	To Serve	563,754	Sq. Ft./Comm & Ind	\$ -	Per Sq. Foot
Ladder Truck							
\$550,000	\$82,500	15%	To Serve	3,699	Residents	\$22.30	Per Resident*
	\$137,500	25%	Existing District				
	\$330,000	60%	To Serve	563,754	Sq. Ft./Comm & Ind	\$0.59	Per Sq. Foot
Grand Total							
\$2,400,000	\$1,285,000	New Residential Growth		\$347.39 ^a per resident		\$ 918.15 per residential unit	
	\$705,000	Existing District (General Fund)					
	\$410,000	Commercial/Industrial Growth			\$0.73	Per Sq. Foot	

**Based on 1-10-10 DOF Population Estimate of 2.643 Persons Per Household*

As noted above, the District must submit the revised mitigation impact fee schedule to the City of Anderson and Shasta County to enable the collection of fees. Both the City and the County will need to hold public hearings to consider the fees. The new fees would take effect 60 days after the City Anderson and Shasta County have adopted them.

8. Inspection and Permit Fees

The District provides a number of inspection and development review services. **Table 4** illustrates the cost of providing these services. While the table estimates the amount of time needed for each development permit, the cost should be considered an estimate against which actual costs will be applied. Large or complicated projects may require additional time of the District, which may require an additional deposit before the work can be completed. As these fees are directly related to personnel cost, the District can adjust them annually as needed to keep pace with costs.

To help with the development process, the District also has a 25 percent pre-application deposit program. Under this program, a developer can submit a concept, engage the District in possible conditions or requirements, and receive input on the proposal. If the application moves forward within a year and has not been substantially

revised, the deposit can be applied to the total review cost. The program allows the District to recover some of the costs of speculative development questions and provides the developer with input early enough in the project to make effective changes.

Development Review	Estimated Hours	Projected Fee*	25% Deposit
Multi-Family	2	\$ 144.22	\$ 36.06
Land Division (5 or fewer parcels)	2	\$ 144.22	\$ 36.06
Land Division (6 or more parcels)	4	\$ 288.43	\$ 72.11
Commercial (small 10,000 square feet or less)	4	\$ 288.43	\$ 72.11
Commercial (large 10,001 square feet or more)	8	\$ 576.87	\$ 144.22
Industrial (small 10,000 square feet or less)	4	\$ 288.43	\$ 72.11
Industrial (large 10,001 square feet or more)	8	\$ 576.87	\$ 144.22
Sprinkler Plan Review	4	\$ 288.43	\$ 72.11
Alarm Plan Review	4	\$ 288.43	\$ 72.11
Change of Occupancy, Building Inspection, Business License	1	\$ 72.11	\$ 18.03

*All development review fees are considered deposits against which actual costs will be applied.

9. Recommendations

Based on the above analysis, the District needs to consider the following actions:

1. Notice and conduct a public hearing to consider the amended fees, including the addition of a new Type II fire engine.
2. Adopt a resolution that makes findings of continued need for the fees collected and adds the new Type II fire engine to the mitigation fee improvements.
3. Request that the City of Anderson conduct a public hearing and adopt the District's fees for development within the city limits.
4. Request that Shasta County conduct a public hearing and adopt the District's fees for development in the unincorporated areas adjacent to the City of Anderson city limits.