Item 4

Olivehurst Public Utility District

Committee Report

Meeting Date: March 5, 2017

Item description/summary:

Development Impact Fee Study: attached is a Draft study from Capitol PFG.

Fiscal Analysis:

Employee Feedback

Sample Motion:

Move to full board to except the draft study with Capitol PFG with there recommendations.

Prepared by:

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DRAFT

DEVELOPMENT IMPACT FEE STUDY
FIRE PROTECTION FACILITIES

OLIVEHURST PUBLIC UTILITIES DISTRICT
FIRE DEPARTMENT

FEBRUARY 2019

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SECTION 1: EXECUTIVE SUMMARY

The Olivehurst Public Utilities District Fire Department Department(the "Department") provides fire protection, fire prevention, emergency medical, technical rescue and disaster response to the community of Olivehurst in Southern Yuba County.

This study was prepared to determine the impact of new development as it relates to the cost of providing fire facilities, apparatus, vehicles and capital equipment in order to adequately provide service to both residential and non-residential development within the Department. The report provides an overview of the calculation of development impact fees that are in compliance with the Mitigation Fee Act (California Government Code Section 66000 et. seq.), and substantiates the findings as required by the Act.

Impact fees paid by new development are intended to provide a mechanism for the Department to provide necessary facilities, apparatus, vehicles, and equipment necessary to maintain current service levels.

The southern portion of Yuba County has been and continues to experience significant growth and consequently needs to provide fire facilities to serve new development. The Department's fire impact fee program provides a major funding source for the construction of fire facilities for this purpose. This report updates the Department's current fire mitigation fee based on development projections and updated facilities plans. Data contained in this report was obtained from the Olivehurst Public Utilities District Fire Department , and the Yuba County Community Development Department.

This report supports the adoption of a development impact fee for fire facilities of **$____** per square foot of "Light – Low Hazard" residential and commercial construction, **$____** per square foot of "Moderate Hazard" commercial and industrial construction, and **$____** per square foot of "High - Severe Hazard" commercial and industrial construction.

Upon the submittal of this report to the Department, the Board, assisted by staff, will review and evaluate the report for accuracy and agreement with the conclusions presented. Once the Board is satisfied that the legislative requirements of Government Code section 66000 et. seq. have been met and the fee adjustment recommendations are valid, the Board shall submit a recommendation regarding the fee adjustments to the Yuba County Board of Supervisors for implementation.

After accepting and considering public input, the County Board of Supervisors shall vote to approve findings and a resolution to set the appropriate fees. If accepted, the fees would be imposed pursuant to the County's "police powers" under Article XI, section 7, of the California Constitution.

SECTION 2: METHODOLOGY FOR IMPACT FEE STUDY

Development impact fees are calculated to fund the cost of facilities that are the result of growth due to new development. The OPUD Fire Department is required to accommodate this growth and therefore needs to determine at what rate the fee should be assessed. There are four basic steps followed in the calculation of any development impact fee, these include:

1. Prepare growth projections;

2. Identify facility standards;

3. Determine the amount and cost of facilities required to accommodate new development based on facility standards and growth projections;

4. Calculate the public facilities fee by allocating the total cost of facilities per unit of development (on a square foot basis).

Facility Standards Methodology

One important issue in development impact fee studies is the identification of facility standards. Facility standards determine new development's total need for new facilities and each development unit's fair share of those needs. Standards also ensure that new development does not fund deficiencies associated with existing development.

The types of standards that may be used in a development impact fee study include:

- **Demand Standards** – determine the amount of facilities required to accommodate growth, for example fire response per thousand new residents.
- **Cost Standards** – determine the cost per unit of demand based on the estimated cost of facilities, for example cost to provide fire services per capita.
- **Design Standards** – determine how a facility should be designed to meet expected demand, for example the size of the new fire stations needed.

The facilities needs identified in this study are based on **Demand Standards**. The Department has been active in determining the size and location of new fire stations and in ensuring they will be sufficient to accommodate the personnel and equipment needed to serve the amount of new development anticipated.

The most commonly accepted approaches to determining a facility standard are described below.

- **The Existing Inventory Method** – uses a facility standard based on the ratio of existing facilities to the existing service population. Under this approach new development funds 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.

- **The Master Plan or System Method** – calculates the standard based on the ratio of all existing plus planned facilities to total future demand (existing and new development). This method is used when (1) the local agency anticipates increasing its facility standard above the existing inventory standard discussed above, and (2) planned facilities are part of a system that benefit both existing and new development. Using a facility standard that is higher than the existing inventory standard crease a deficiency for existing development. The jurisdiction must secure non-fee funding for that portion of planned facilities required to correct the deficiency.

- **The Planned Facilities Method** – calculates the standard solely based on the ratio of planned facilities to the increase in demand associated with new development. This method is appropriate when planned facilities only benefit new development, such as a new fire station in a previously undeveloped area. This method also may be used when there is excess capacity in existing facilities that can accommodate new development. In that case new development can fund facilities at a standard lower than the existing inventory standard and still provide an acceptable level of facilities.

This study uses the **Existing Inventory Method** described above to determine facility standards. Due to the planned growth in new housing units within the boundaries of the OPUD Fire Department, the location of these new units, and the existing demand and levels of service being accommodated by the Department, the existing fire station is neither located in a suitable location to adequately serve residents nor large enough to accommodate the growth that is expected based on the growth projections available to the Department. The Existing Inventory Method will specifically benefit to the new development that is anticipated within the Department as it 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. The Department's planned facilities will adequately serve the increase in demand associated with new development.

The OPUD Fire Department has the flexibility to alter the list of necessary facilities shown in this report as conditions change. If the overall cost of facilities necessary to mitigate the anticipated residential and commercial growth is altered significantly then the OPUD Fire Department should update this fee program to incorporate those changes.

SECTION 3: THE MITIGATION FEE ACT

In 1987, the California Legislature adopted Assembly Bill 1600 which established a uniform process for formulating, adopting, imposing, collecting, accounting for, and protesting impact fees. In order to impose an impact fee, a local agency must go through a process to establish a reasonable relationship between a development project and the public improvement for which the development fee is charged.

The most important part of AB 1600 is the requirement for findings that connect any impact stemming from a development project to the type and amount of the fee imposed or what is commonly referred to as the "Nexus" requirement. Government Code Section 66001 states that after January 1, 1989, in any action "establishing, increasing, or imposing a fee as a condition of approval of a development project," the local agency shall do all of the following:

1) Identify the purpose of the fee.

2) Identify how the fee is to be used. If the use is for financing public facilities, the facilities shall be identified.

3) Determine how a reasonable relationship exists between the fee's use and the type of development project on which the fee is imposed.

4) Determine how a reasonable relationship exists between the need for the public facility and the type of development project on which the fee is imposed.

5) 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.

Purpose of the Fee

The purpose of this development impact fee is to ensure that new development within the District pays its proportionate share of the capital investments to be made by the District along with its share of future capital costs, which are necessary to provide fire protection, fire suppression and other fire safety services adequate to accommodate a growing service population. The District is prudent in requiring that new development not burden existing property owners with the cost of public facilities required to accommodate growth. The District can further this objective through the imposition of development impact fees. The purpose of the development impact fee is to implement this policy by providing a funding source from new development for capital improvements to serve that development. The fee helps to ensure that the level of service is maintained as new development offsets the increased costs of providing service as growth occurs.

Use of the Fee

The development impact fee will fund new fire stations, apparatus, vehicles, and capital equipment needed to serve new development. All facilities and capital equipment will be located within the boundaries of the District. As detailed in the following sections of this report, these facilities include:

- land for new fire stations

- fire station construction or expansion
- fire apparatus acquisition
- vehicle acquisition
- capital equipment acquisition
- financing costs associated with the above listed capital expenditures

This report provides the cost estimates for projected facility needs.

Benefit Relationship

The District will restrict fee revenues to the acquisition of land, construction/reconstruction/expansion of buildings, and purchase of apparatus, vehicles and capital equipment and related financing costs to serve new development. Fire facilities and capital equipment funded by the fee will further the District-wide network of services accessible to the additional residences and businesses associated with new development. Thus, there is a reasonable relationship between the use of fee revenues and the residential and non-residential types of new development that will pay the fee.

Burden Relationship

The purpose of assessing an impact fee is to provide the capital resources necessary to sustain a constant level of service for fire protection, emergency medical response, rescue and extrication, containment and mitigation of hazardous materials exposure, and other life safety services that is required of a growing service population. The relationship between the fee's use and the specific type of development is dependent upon the available development statistics. Based on the District's recommendations outlined in the National Fire Protection Association ("NFPA") Standards and the District's historical experience in serving various development types within its boundaries, we are able to identify those structures that impose special or extraordinary mitigation needs for the District. The impact fee is assessed accordingly, whereby, all fees are tiered so that high and moderate hazard, commercial or industrial structures, which carry an inherently greater risk for fire safety and as a result require more equipment and complex facilities to serve such structures, pay a higher per square foot fee than low hazard units.

Proportionality

The reasonable proportionality relationship can be established by identify the facility costs attributable to future development, then establishing fee rates that allocate those costs in proportion to the demands created by each type of development project. The fee apportions costs between the existing population and new development in a manner proportional to their contribution of the need for that facility. Further, fees are imposed based on building size as measured by habitable and enclosed square feet of each building. Thus, larger buildings that have a greater demand for service pay a proportionately higher fee than smaller buildings.

Other Requirements of AB 1600

In addition to the Nexus requirements, AB 1600 also outlines the accounting for futures received through imposition of impact fees on new construction projects. AB1600 requires that upon receipt of a fee, the local agency deposit into a separate capital facilities account or fund, in a manner to avoid any commingling of the fees with other revenues and funds of the agency, and expend the fees solely for the purpose for which the fee was collected.

Interest gained on the capital facilities accounts or funds shall be separated, accounted and expended in the same manner.

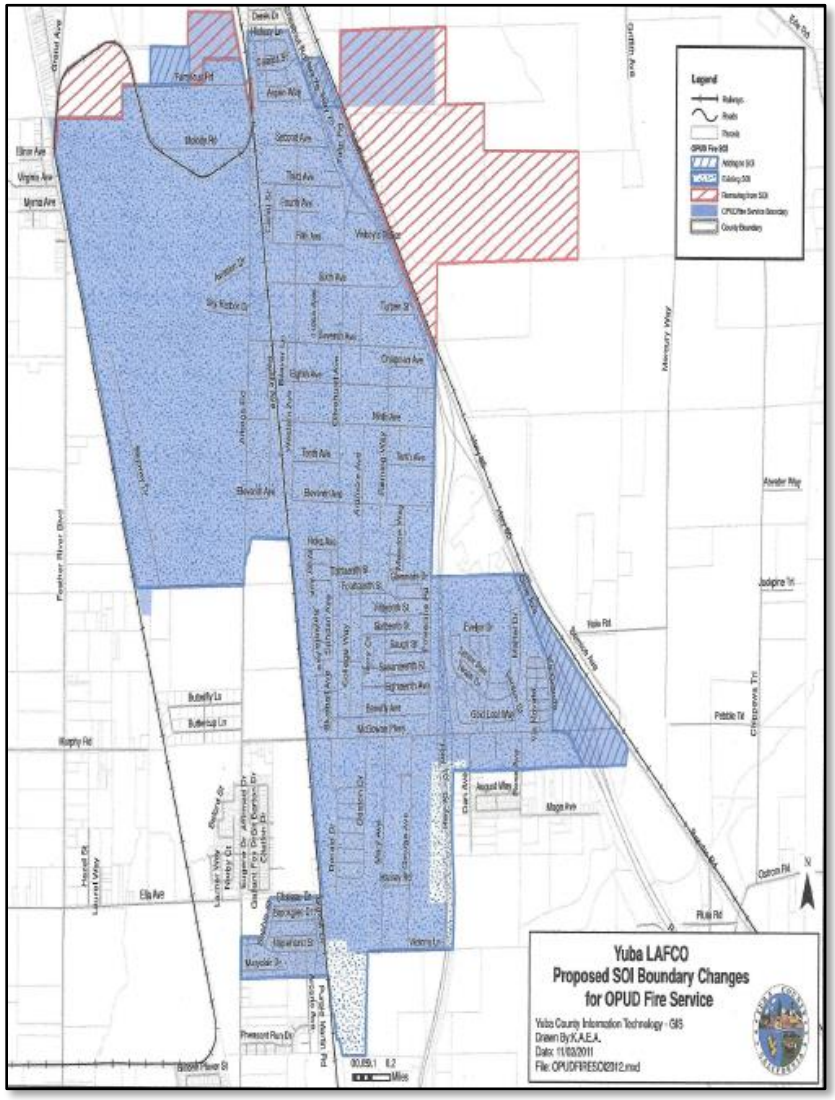
The agency Board shall make findings once each fiscal year with respect to any portion of the fee remaining unexpended or uncommitted in its account five or more years after the deposit of the fee. The finding shall identify the purpose to which the fee is to be put and to demonstrate a reasonable relationship between the fee and the purpose for which it was charged.

The agency shall refund to the current record owner(s) of the project, on a prorated basis, the unexpended or uncommitted portion of the fee, with interest, for which the required findings cannot be made. Upon certain circumstances, with appropriately noticed hearings, the legislation allows alternative actions.

The agency shall annually adopt and update, by resolution at a publicly noticed hearing, any capital improvement plan defined in this legislation.

SECTION 4: DEPARTMENT DEMOGRAPHIC DATA

The OPUD Fire Department is located in primarily in Olivehurst, a city in the southern portion of Yuba County, along the North Sacramento Valley of California, approximately 35 miles north of the State Capitol, Sacramento. Yuba County is predominantly a rural county, which is increasingly becoming suburban in nature. The County remains one of the most productive agricultural areas of California. The Department serves the community of Olivehurst and covers 7 square miles south of the City of Marysville and west of Highways 70 and 65 in Yuba County.



Many of the County's residences are located in rural and semi-rural areas surrounded by critical wild land fire areas. This geography, coupled with the locations of many homes in the OPUD Fire Department's boundaries, intensifies the fire safety problems and requires specialized firefighting equipment. These homes and commercial structures require qualified personnel capable of manning the apparatus necessary to provide adequate water delivery systems.

The proposed development in the OPUD Fire Department will increase the demand for fire and emergency services. The Department faces the immediate challenge of providing services to the development, for which it has little extra available resources.

The OPUD Fire Department provides a full range of services, including fire prevention; fire suppression; and emergency medical response in addition to a variety of other miscellaneous requests. The Department is governed by the Olivehurst Public Utilities District, and currently employs four full-time personnel, and twenty-six volunteer personnel. The Department services approximately 4,000 residential structures, 1 Senior High School, 1 Middle High School, and 3 Elementary Schools. It also serves 1 Senior Citizens apartment complex, 2 multi-person extended care facilities, 2 lumber mills, 5 lumber fabrication mills, 1 Airport, 1 multi-story Medical Clinic and approximately 70 various commercial businesses.

SECTION 5: CURRENT FEES

The Department's most recent development impact fee study was prepared in May 2007. The Department's 2007 fees are shown in ***Table 1***.

Table 1

Current Impact Fees		
Construction Type	**Impact Fee without Sprinklers**	**Impact Fee with Sprinklers**
Residential, Single and Multi-Family and Commercial (Light Load)	$1.03 per square foot	$0.52 per square foot
Commercial and Industrial (Moderate Load)	$2.06 per square foot	$1.03 per square foot
Commercial and Industrial (Heavy Load)	$3.09 per square foot	$1.54 per square foot

Capitol Public Finance Group, LLC was contracted by the OPUD Fire Department to provide this Development Impact Fee Study. This study is intended to establish the legal and policy basis for the calculation and imposition of impact fees on all new development within the Department. The study will analyze the impact of recent and future construction on the needs of Department and consider the changes that have occurred in the development community since those studies were completed.

Ultimately, this study will demonstrate the need for an increased development impact fee due to the increasing amount of development within the Department's boundaries and the rapidly increasing cost of building public facilities.

SECTION 6: ANTICIPATED GROWTH

The OPUD Fire Department is located next to the major population centers of Yuba County. Appealing in part because of its rural location and relative affordability, Olivehurst although not a major development area, is experiencing both residential and commercial growth activity. This growth ultimately affects the local public service providers within Yuba County, including the OPUD Fire Department.

As the demand for fire suppression and emergency response increases through both new and infill construction, the capabilities of the present personnel and apparatus will degrade proportionally. The only plausible mitigation from the Department's perspective is the addition of facilities, equipment, and personnel and the modernization or construction of new facilities. This will serve to support timely response and maintain adequate supplies of apparatus and equipment so that the Department may maintain its current service levels while accommodating any new growth.

Residential Development

Located directly to the South of Olivehurst is the Plumas Lake Specific Plan, which calls for the construction of multiple new single family residential housing units. Yuba County is one of the hottest and fastest growing markets in California. Average home sizes within the Plumas Lake Specific Plan, which is close proximity to Olivehurst, outlines the construction of several thousand single family residential units, averaging approximately 2,400 square feet. Given the relative proximity and relative affordability of land, it is not unreasonable to expect that residential and commercial construction will follow suit within Olivehurst and the surrounding areas.

Planned development with the Department's boundaries will consist of infill projects designed to provide housing within existing populated areas or provide residential development within outlying areas of the Department. Currently there are several projects in the planning phase that can be defined as either infill or outlying area development. Based on data made available via various county agencies, including the Yuba County Community Development, Planning, and Surveyors Departments, it is estimated that approximately 251 new single family residential units are in various stages of the planning process. The development projects and the number of residential units to be built within the boundaries of the Department are shown in ***Table 2*** below. The total square footage is calculated using an estimated average of 2,200 square feet per residential unit.

Table 2

Total Residential Construction Remaining within Olivehurst Public Utilities District Fire Department Boundaries		
Development	**Remaining Residential Units**	**Total Square Footage**
Alpha Group Subdivision	19	41,800
Alvarado Estates	11	24,200
Butte View Townhouses	20	44,000
Greentree Cottages	28	61,600
Maple Estates Townhouses	28	61,600
Olivehurst Gardens	22	48,400
Pheasant Pointe	119	261,800
Sarabeth Subdivision	4	8,800
Total Remaining Residential Units	**251**	**552,200**

Commercial/Industrial Development

As residential construction continues with Olivehurst, an inherent demand for commercial facilities is created. Developers, recognizing the need for these commercial services, currently are planning several large scale projects within the Department's boundaries. As these developments may significantly effect the Department's service requirements, the Department must consider these properties when planning and assessing its ability to maintain high levels of service to existing residents and as well these new properties that will be added to its service population. As a result, the properties are essential when calculating the District's development impact fees.

Based on the building data provided by the various County Departments and the Fire Department, approximately 94,600 new square feet of commercial and industrial construction may occur within the Department's boundaries. The table below provides further detail.

Table 3

Total Square Feet of Commercial/Industrial Development	
Development Project	**Estimated Square Feet**
Lindhurst Avenue	78,000
McGowan Parkway	16,665
Total	**94,665**

SECTION 7: FACILITY STANDARDS

Facility standards are the basis for the facilities designed to serve new development. As explained previously, this study uses the existing inventory method for calculating standards. This method uses a facility standard based on the ratio of existing facilities to the existing service population. Under this approach new development funds the expansion of facilities at the same standard currently serving existing development.

The Fire Department has three types of facility expenditures that together determine the need for public facilities. These types of expenditures are:

- Land;
- Buildings; and
- Capital Equipment, Vehicles & Services Related to the Acquisition of Land and Construction of Buildings.

Land

It is the practice of most public agencies within Yuba County to pay appraised value for all land purchased for public facilities. The Department does not currently require land for its anticipated facilities and equipment needs necessary to mitigate additional growth. If development continues to occur beyond the known projects, the Department will need to reevaluate is mitigation fee program and consider the addition and construction of an additional station. Fortunately property located within the Industrial Park has been donated to the Department by the County for construction of such a station. As this land is sufficient to house a new station, the Department will not require the purchase of additional land to fund the construction of a new station.

Buildings

Through consultation with a fire station design team and a determination of the programming essential to serve the Department's resident and commercial base, the Department has determined that a remodel and reconfiguration of the existing station is the minimum necessary improvement necessary to adequately serve additional new development. It has been calculated that the remodel and reconfiguration of the existing station will cost approximately $507,900. The reconfiguration will serve to provide additional space for adequate storage of vehicles and equipment, and as well provide additional housing for fire staff. As discussed in the proceeding Land discussion, if development continues beyond the known projects, the Department should reevaluate its development impact fee program and determine the sufficiency of the existing station and its ability to adequately service its residents and respond to all areas of the Department within a sufficient response time.

Other Facilities and Capital Equipment

The Department has determined that it will be necessary to purchase additional vehicles and equipment in order to serve the projected development. The next section of this report addresses the specific facilities and equipment necessary to provide adequate service levels to the residents within the Department's service area.

SECTION 8: NECESSARY FACILITIES

The cost of the identified facilities improvements is based on the facility standards identified in Section 7. The existing inventory method identifies a standard of protection and applies that to the current community served by the Department. Based on data provided by the Department, the Yuba County Planning and Development departments, and various other sources, it is recommended that the OPUD Fire Department remodel and reconfigure its existing fire station over the next 5 years to provide fire service at adequate levels. The remodeled station will serve to maintain existing levels of service to its current residents while providing for the same high quality service to all new development which occurs within the Department's boundaries. The specific facilities to be constructed are categorized based on the three types described in Section 7 of this report:

- Land;
- Buildings & Facilities; and
- Capital Equipment, Furniture, Vehicles & Services Related to the Acquisition of Land and Construction of Buildings.

Land Acquisition Costs

No acquisition costs will be necessary as land has been donated to the Department if it should require the construction of an additional fire station.

Facilities Costs

The Department currently services its population out of a single fire station. As the number of structures, and more importantly the service population are expected to increase within the near future, the Department has determined that it must remodel and reconfigure its existing station to ensure sufficient capacity to store vehicles, equipment, and the people necessary to accommodate any additional growth. The estimated costs associated with the reconfiguration of the current station are provided in ***Table 4***.

Table 4

Station Remodel and Reconstruction Costs	
Component	**Estimated Cost**
Reroofing Costs	$11,025
Station Remodel and Reconstruction	$397,500
Capital Equipment for Expanded Station	$99,375
Total Expansion Costs	**$507,900**

Vehicle & Equipment Costs

The Department's existing service capabilities are currently at maximum capacity. The Department has a policy that new development will not adversely impact the existing service levels and subsequently response capabilities. As the Department's existing fleet of vehicles is aging and ill-equipped to service larger commercial buildings, new vehicles and equipment will need to be purchased to offset the increased demand and meet the

standards set forth in Section 7. Based on available development data and projected development within the Department's boundaries, the Department has projected that it will require the following vehicles shown in Table 5.

Table 5

Per Station Apparatus, Vehicle & Equipment Needs		
Vehicle Type	**Vehicle Cost**	**Number to be Purchased**
Structure Engine	$400,000	1
Ladder Truck	$1,200,000	1
Total Cost	**$1,600,000**	

Should additional larger scale projects come online, the Department should reevaluate the mitigation impact fee program and determine what vehicles are necessary to adequately provide service to the planned developments while maintaining its existing high levels of service.

Total Estimated Costs

In total, the Department projects that it will require just over $900,000 of facilities, equipment and vehicle needs over the next 5 years. The estimated costs are shown in ***Table 6*** below.

Table 6

Total Estimated Costs	
Component	**Estimated Cost**
Station Remodel and Reconstruction	$507,900
New Apparatus and Vehicles*	$400,000
Total Expansion Costs	**$907,900**
** Does not include the costs of a ladder truck as it would be funded from those properties with a moderate to severe hazard occupancy classification*	

The Department is currently utilizing all available mitigation and General Fund revenues to fund the purchase of existing vehicle, equipment, and facility needs. The Department has $80,000 available revenue to fund the purchase of facilities or equipment necessary to mitigate the costs necessary to offset any new construction. Therefore, the Department currently has total expected unfunded costs of $__.

Total Unfunded Facilities, Equipment, & Vehicle Cost

SECTION 9: DEVELOPMENT IMPACT FEE CALCULATION

The development impact fee for fire facilities is calculated by first identifying the total facilities cost necessary to serve new development, as described in Section 7 of this report. We then determine the total amount of new square footage for residential, commercial and industrial construction based on the development information provided by Yuba County. The square footage of new construction is then weighted based on the type of construction (residential, commercial or industrial) and demand for fire services of each type of construction. Dividing the total facilities cost attributable to new development by the total weighted square footage of new development within the Department gives us the cost per square foot of new construction.

Weighting the Fee by Construction Classifications

The type of construction is directly related to the need for fire services. There are some types of building construction and occupancy that result in an additional impact on the fire service due to the nature of the building utilization and they type of apparatus, other capital equipment and station components necessary to serve the type of building. The construction of these facilities will result in an additional capital cost to the Department.

The National Fire Protection Association (NFPA) has identified Occupancy Hazard ratings for various types of building occupancies based on the hazard risk of the building construction and occupancy and the water supply standards for that type of building. These ratings can be utilized to identify the type of building construction and occupancy that has a greater impact on the Department and can be applied toward the impact fee per square foot of new development. This will ensure that the fee is assessed proportionately due to the impact caused by moderate and high hazard buildings. Fee revenue generated from the moderate, high and severe hazard occupancy buildings will be used to fund capital equipment and apparatus necessary to serve such buildings and the improvements to fire stations needed in order to accommodate such equipment and apparatus. Specifically, in order to serve moderate, heavy and severe hazard occupancy buildings, the Department would need to acquire ladder trucks and life-saving equipment contained on the ladder truck as well as ensure that fire station apparatus bays are of sufficient size to house a ladder truck in the appropriate location.

For the purposes of imposing impact fees on new development within the Department, buildings can be classified into one of three categories based the NFPA occupancy hazard classifications (see ***Appendix A*** for NFPA Standard 1142), with the related weighting applied to the impact fee, as shown in ***Table 7***.

Table 7

Category	NFPA Occupancy Hazard Classification	Impact Fee Weighting Factor
Light -Low Hazard	Light and Low Hazard Occupancies (Numbers 6 and 7)	1 x Cost Per Sq. Ft.
Moderate Hazard	Moderate Hazard Occupancies (Number 5)	2 x Cost Per Sq. Ft.
Heavy-Severe Hazard	High and Severe Hazard Occupancies (Numbers 3 and 4)	3 x Cost Per Sq. Ft.

Determining Square Footage of New Construction

Each of the Specific Plans and Study Area descriptions provide, in detail, the total number of residential dwelling units to be built. We can mathematically approximate the total number of square feet to be constructed within the Department based on data available in each of the planning documents. We must account for any structure that has already been built and deduct this from the total amount of planned construction within these development areas.

In order to calculate the total number of square feet to be built within Department boundaries, we will need to make assumptions regarding the average size of properties. Based on the units constructed to date within the Department, we estimate the average residential home size is 2,200 square feet.

Using 2,200 square feet as the standard, and multiplying it by the total remaining structures to be built; we can derive the total square feet remaining to be built within Department's boundaries. The calculation of total square feet is important, as this will allow for the distribution of total facilities and equipment costs across all properties within the Department's boundaries. The calculation is fairly straightforward, whereby the total square feet of residential construction equals the number of residential units to be constructed times the average square feet per unit. Therefore, the total residential square footage to be constructed is approximately 552,200 (251 units * 2,200 square feet).

Total Residential Square Feet
552,200

As described in Section 6, the total square footage of commercial/industrial development property to be built within the boundaries of the department is estimated to be 94,665. Much of the commercial/industrial property expected to be constructed within the Department will be moderate load, which would pay twice the fee as light load residential construction. Therefore, we have divided the total commercial/industrial square footage by the ratio of moderate load to light load, or by 2. This results in an applicable total commercial/industrial square footage of 47,333.

Total Commercial/Industrial Square Feet
47,333

Impact Fee Calculation

To calculate the amount of the development impact fee necessary, on a per square foot basis, for all properties within the Department boundaries, we first identify the unfunded facilities cost of $__, as stated in Section 8. We then determine the total square footage of residential, commercial and industrial construction within the Department, which is 599,533 (552,200 + 47,333). Finally, we divide the total facilities cost ($__) by the total remaining square feet of new construction (599,533). The impact fee calculation is:

Impact Fee Calculation

Therefore, the Department can justify a development impact fee for fire facilities of **$__** per square foot of residential and commercial "Light to Low Hazard" construction, **$__** per square foot of commercial and industrial "Moderate Hazard" construction, and **$__** per square foot of commercial and industrial "Heavy to Severe Hazard" construction, as shown in ***Table 8***.

Table 8

SECTION 10: ASSESSING THE FEE

Future large or specialized commercial and industrial development may require special considerations and should be judged on a project-by-project basis. Commercial and industrial development should be reevaluated during the routine review of impact fees for fire and hazmat response data to support the different fee structure. The actual designation of future structures into the appropriate fee category should be made by the fire chief, according to published National Fire Protection Association standards.

Residential categories other than single-family dwellings, are differentiated by their size as the fee is assessed on a per square foot basis. These fees are recommended to include the square footage of all classes of covered structures constructed within the Department, including building additions. A covered structure is defined as a roof assembly, as the same is described within the Uniform Building Code, or as defined by the Yuba County Fire Development fee ordinance.

SECTION 11: IMPLEMENTATION

If the Fire Department Board concurs with and chooses to increase the fee as provided for in this study, the following process should be followed for fee implementation.

Fire Department Board Approval

The Fire Department's Board should adopt a resolution and make a recommendation to the County Board of Supervisors to adopt this fee pursuant to the County's development "police powers" under Article XI, section 7 of the California Constitution.

County Board of Supervisors Approval

The County Board of Supervisors should adopt the proposed fee schedule in compliance with California Government Code section 66016 through 66018. The County should:

- Send a notice of a public hearing at least 14 days prior to the hearing to any party that has submitted a written request for such a notice. Have this report and all supporting documentation available for review by the public at least 10 days prior to the hearing;
- Hold the public hearing to consider adoption of the development impact fee;
- Adopt an implementing ordinance to establish the County and Fire Department's authority to impose the proposed fee and automatically adjust the fee annually for inflation, and adopt a resolution to set the fee;
- Begin collecting the fee no sooner than 60 days following adoption of the ordinance and resolution.

Fee Accounting

The Fire Department should deposit all fee revenues into a new restricted public facility fee account. Interest earned on fund balances should be credited to the fund.

Use of the Fee

The Fire Department should only use fee revenues for projects that expand the Department ability to deliver fire services to accommodate new development. Use of the fee in this manner documents a reasonable relationship between new development and the use of fee revenue. The Fire Department may alter the scope of the planned projects, or substitute new projects as long as the project continues to represent an expansion of the Fire Department's capabilities. If the total cost of all planned projects varies from the total cost used as a basis for the fee, the Department should revise the fee accordingly.

Inflation Adjustment

The Fire Department should adjust the fee annually for inflation in the cost of projects to be funded by the fee. A construction cost index should be based on a reputable and easily identifiable source such as the *Engineering News Record*.

Reporting Requirements

The Fire Department should comply with the annual and five-year reporting requirements of Government Code section 66000 et. seq. Annually, the Fire Department must identify the fee revenues received and for what purposes they were expended.

APPENDIX A: NFPA OCCUPANCY HAZARD CLASSIFICATIONS

High Hazard Commercial/Industrial Construction Occupancy Classifications

NFPA Severe Hazard Occupancies (Classification Number 3)

- Cereal or Flour Mills
- Combustible Hydraulics
- Cotton Picking and Opening Operations
- Die Casting
- Explosives and Pyrotechnics Manufacturing and Storage
- Feed and Gristmills
- Flammable Liquid Spraying
- Flow Coating/Dipping
- Linseed Oil Mills
- Manufactured Homes/Modular Building Assembly
- Metal Extruding
- Plastic Processing
- Plywood and Particleboard Manufacturing
- Printing Using Flammable Inks
- Rubber Reclaiming
- Sawmills
- Solvent Extracting
- Straw or Hay in Bales
- Textile Picking
- Upholstering with Plastic Foams

NFPA High Hazard Occupancies (Classification Number 4)

- Barns and Stables (Commercial)
- Building Materials Supply Storage
- Department Stores
- Exhibition Halls, Auditoriums and Theaters
- Feed Storage (without Processing)
- Freight Terminals
- Mercantiles
- Paper and Pulp Mills
- Paper Processing Plants
- Piers and Wharves
- Repair Garages
- Rubber Products Manufacturing and Storage
- Warehouses, such as those used for furniture, general storage, paint, paper and woodworking industries

Moderate Hazard Commercial/Industrial Construction Occupancy Classifications

NFPA Moderate Hazard Occupancies (Classification Number 5)

- Amusement Occupancies
- Clothing Manufacturing Plants
- Cold Storage Warehouses
- Confectionary Product Warehouses
- Farm Storage Buildings, such as corn cribs, dairy barns, equipment sheds and hatcheries
- Laundries
- Leather Goods Manufacturing Plants
- Libraries (with Large Stockrooms Areas)
- Lithography Shops
- Machine Shops
- Metalworking Shops
- Nurseries (Plant)
- Pharmaceutical Manufacturing Plants
- Sugar Refineries
- Tanneries
- Textile Manufacturing Plants
- Tobacco Barns
- Unoccupied Buildings

Low Hazard Commercial/Industrial Construction Occupancy Classifications

NFPA Low Hazard Occupancies (Classification Number 6)

- Armories
- Automobile Parking Garages
- Bakeries
- Barber or Beauty Shops
- Beverage Manufacturing Plants/Breweries
- Boiler Houses
- Brick, Tile and Clay Product Manufacturing Plants
- Canneries
- Cement Plants
- Churches and Similar Religious Structures
- Dairy Products Manufacturing and Processing Plants
- Doctors' Offices
- Electronics Plants
- Foundries
- Fur Processing Plants
- Gasoline Service Stations
- Glass and Glass Products Manufacturing Plants
- Horse Stables
- Mortuaries
- Municipal Buildings
- Post Offices
- Slaughterhouses
- Telephone Exchanges
- Tobacco Manufacturing Plants
- Watch and Jewelry Manufacturing Plants
- Wineries

NFPA Light Hazard Occupancies (Classification Number 7)

- Apartments
- Colleges and Universities
- Clubs
- Dormitories
- Dwellings
- Fire Stations
- Fraternity or Sorority Houses
- Hospitals
- Hotels and Motels
- Libraries (except Large Stockroom Areas)
- Museums
- Nursing and Convalescent Homes
- Offices (including Data Processing)
- Police Stations
- Prisons
- Schools
- Theaters without Stages