



# **RANCHO ADOBE FIRE PROTECTION DISTRICT**

## **FIRE IMPACT FEE NEXUS STUDY**

JUNE 2024  
FINAL REPORT

PREPARED FOR:

**BOARD OF DIRECTORS  
RANCHO ADOBE FIRE PROTECTION DISTRICT**

PREPARED BY:



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## **RANCHO ADOBE FIRE PROTECTION DISTRICT**

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## **ACKNOWLEDGMENTS**

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

Jennifer Bechtold, Rancho Adobe Fire Protection District  
Sonoma County Auditor's Office  
Sonoma County Assessor's Office

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## EXECUTIVE SUMMARY

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### INTRODUCTION

The Rancho Adobe Fire Protection District ("District") provides first-responder fire protection services to approximately 80 square-mile east of the cities of Rohnert Park and Petaluma in Sonoma County ("County"). The District serves the City of Cotati ("City"), the community of Penngrove, and the surrounding unincorporated areas in the County. The District provides fire prevention, fire suppression, emergency medical services, hazardous materials response, and other related emergency services to its residents.

This Fire Impact Fee Nexus Study ("Nexus Study") was prepared pursuant to the "Mitigation Fee Act," as found in Government Code § 66000 et seq. The purpose of this Nexus Study is to establish the legal and policy basis for the collection of new fire impact fees ("fees") on new residential and nonresidential development within the District. The purpose of the fee is to fund the one-time cost of expanding the District's facilities, apparatus, and equipment needed to accommodate new development.

For purposes of this Nexus Study, the term "facilities" or "fire system facilities" will refer to facilities (land, stations, and other buildings), apparatus (engines 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 lacks land-use authority to impose impact fees on development projects. As the District serves the unincorporated areas of the County, the County Board of Supervisors is responsible for adopting the fire impact fee program and imposing the fees on behalf of the District. Likewise, as the District serves the City of Cotati, the City Council is responsible for adopting the fire impact fee program and implementing the fees on behalf of the District. The fees shall cover the areas outlined in the provided map in Appendix A.

In order to impose such fees, this Nexus Study will demonstrate that a reasonable relationship or "nexus" exists between new development that occurs within the District and the need for fire protection facilities, apparatus, and equipment as a result of new development. More specifically, this Nexus Study will present findings in order to meet the procedural requirements of the Mitigation Fee Act, also known as AB 1600, which are as follows on the following page:

1. Identify the purpose of the fee.
2. Identify the use to which the fee is to be put.
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 fire facilities and the type of development project on which the fee is imposed ("**impact 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 is consistent with the County and City General Plans.

#### **METHODOLOGY AND APPROACH**

To determine the District's fire impact fee consistent with these **substantive requirements**, this Nexus Study utilizes a system-wide existing facility standard methodology. Under this method, the District's ratio existing fire protection facilities, apparatus, and equipment to the existing service population establishes the standard for determining new development's fair share of the cost to expand the District's fire system as growth occurs.

The facility standard methodology is a commonly used method for determining 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 replacement value of the District's existing fire system is determined using the replacement value of the District's existing inventory of fire protection facilities, apparatus, land 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>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>. 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.

The District's capital improvements and apparatus and equipment purchases will benefit the entire fire system. The District's fire protection and emergency response resources are organized as an integrated fire system. The resources of one fire station do not serve a particular area in isolation from the District's other fire stations and resources. When the District has a service call, whether for a fire or other emergency, the District's response often involves resources from multiple fire stations. Likewise, new development in the District's services area is served by all the District facilities, apparatus, and equipment, not just by the nearest fire station.

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 City Council and County Board 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.

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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).

**SUMMARY OF GENERAL FINDINGS**

The following general findings from the Nexus Study are presented:

1. 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.
2. The District's objective is to maintain its existing level of service by establishing a fire impact fee to fund the cost of expanding its facilities, apparatus, and equipment attributable to new development.
3. The District may approve, and the City and County may adopt on their behalf, the following fees at or below the maximum level determined by this Nexus Study.

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

Land Use Category	Unit	Maximum Fire Impact Fee
Single Family Housing	BSQFT	\$2.00
Multi-Family Housing	BSQFT	\$2.77
Mobile Home	BSQFT	\$1.57
Assessory Dwelling Unit => 750 sq. ft.	BSQFT	\$2.00
Assessory Dwelling Unit < 750 sq. ft.	---	Exempt ---
Retail / Commercial	BSQFT	\$2.51
Office	BSQFT	\$4.15
Industrial	BSQFT	\$1.75

4. Consistent with the nexus requirement of the Act, this Nexus Study demonstrates that there is 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 be used to fund 100% of the cost of new and expanded facilities, 100% of the cost of apparatus, vehicles, and equipment that expand the District's existing inventory and up to 10.6 percent of apparatus and vehicle replacement 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 Sonoma County General Plan and the City of Cotati General Plan.

## SUMMARY OF GENERAL RECOMMENDATIONS

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

1. 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 the County on behalf of the District.
2. 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.
3. The District's new fire impact fee should be adopted and implemented in accordance with the applicable provisions of the Mitigation Fee Act (Government Code § 66000 et al.).
4. Fee revenue should be used to fund only the cost of new and expanded facilities, apparatus, vehicles, and equipment to serve new development.
5. The District, the City, and the 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. 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, 2032.
8. The cost estimates presented in this Nexus Study are in January 2024 dollars. The fire impact fee should be adjusted automatically without further action by the District Board, the City Council, or 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 (20-City Average), or its successor publication.

## **DETERMINATION OF EXISTING DEVELOPMENT**

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The District serves both residences and businesses throughout their service area. As such, the demand for the District's fire protection services and associated fire protection facilities, apparatus, ambulances, 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 service population and structural area within the District. These figures, along with the District's 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 fire protection and emergency response services to the western portion of unincorporated Sonoma County, including the City of Cotati. A map of the District's service boundaries is provided in Appendix A.

As shown in Figure 2 on the following page, the District currently serves an estimated resident population of 16,756 and protects approximately 7,073 occupied and vacant dwelling units. These figures are based on figures from the 2020 Census for the District's service area, Sonoma County Assessor's data as of February 2024, and an estimated 3.8 percent vacancy rate as reported by the California Department of Finance for the City.

The District also serves an estimated 3,537 workers and protects approximately 1,580,000 square feet of new nonresidential building area. The estimated number of workers in the District is based on an estimated jobs-to-housing ratio of 0.50. The estimated nonresidential structural area is calculated by multiplying the number of workers by 446 square feet of nonresidential building area for every worker (or 2.24 workers per 1,000 square feet.)

FIGURE 2 – CURRENT RESIDENTIAL DEMOGRAPHICS

Land Use Categories	Total Dwelling Units <sup>1</sup>	Vacant Dwelling Units	Occupied Housing Units	Dwelling Unit Occupancy Factor <sup>3</sup>	Resident Population
	Calc	a	b	c = a - b	d
Single-Family Housing	5,958	226	5,732	2.56	14,674
Multi-Family Housing	916	35	881	2.04	1,797
Mobile Home	199	8	191	1.49	285
Total Residential	7,073	269	6,804	2.46	16,756

## Notes:

<sup>1</sup> From Sonoma County Assessor's data as of February 2024.

<sup>2</sup> Based on an estimated 3.8% vacancy rate for the City of Cotati.

<sup>3</sup> Based on census data from the U.S. Census Bureau's 2015-2019 American Community Survey 5-Year Estimate for the City of Cotati and Penngrove CDP which is found to be representative of the District.

### RESIDENT EQUIVALENT DEMAND FACTOR

For purposes of this Nexus Study, a calls-for-service approach is used to help establish the relative fire facilities demand from residential and nonresidential land uses. Specifically, service call data is converted into a resident equivalent demand factor, which represents the demand for service from a worker compared to a household resident.

As shown in Figure 3 on the following page, service call data for fiscal years 2020-21 through 2022-23 were gathered from the District's Emergency Reporting database. Over the three-year period, the District averaged 1,137 annual service calls originating from residential property and 352 service calls originating from nonresidential properties. Service calls originating from highways, roads, open fields, or otherwise not classified as originating from residential or nonresidential land use are excluded. By 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 0.85 compared to District residents.

**FIGURE 3 – RESIDENT EQUIVALENT DEMAND FACTOR**

	Calc	Residential	Nonresidential	Institutional
Average Annual Service Calls <sup>1</sup>	a	1,137	352	437
Residents or Workers <sup>2</sup>	b	9,662	3,537	4,407
Per Capita Fire Service Demand	$c = a / b$	0.1177	0.0996	0.0992
Resident Equivalent Demand Factor	$d = c / 0.1177$	1.00	0.85	0.84

Sources: Rancho Adobe Fire Protection District; SCI Consulting Group

Notes:

<sup>1</sup> Average for FY 20-21 thru FY 22-23 from the District's Emergency Reporting database.

<sup>2</sup> Estimated existing residents with the District. Workers is based on estimated jobs-to-housing ratio of 0.75.

### EXISTING FIRE FACILITIES EDU DEMAND FACTOR

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

Figure 4 below shows the calculation of the existing fire facilities EDU demand factor for six land use categories. 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. The occupancy density for land use category 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 660 square feet of retail / commercial building area.

**FIGURE 4 – EXISTING FACILITIES EDU DEMAND FACTOR**

Land Use Category	Unit	Occupancy	Resident	Facilities EDU
		Density per Unit <sup>1</sup>	Equivalent Demand Factor <sup>2</sup>	Demand Factor
Calc		a	b	c = (a * b) / 2.56 (rounded)
Single-Family Housing	DU	2.56	1.00	<b>1.00</b>
Multi-Family Housing	DU	2.04	1.00	<b>0.80</b>
Mobile Home	DU	1.49	1.00	<b>0.58</b>
Residential	DU	2.41	1.00	<b>0.94</b>
Retail / Commerical	KBSF	2.00	0.85	<b>0.66</b>
Office	KBSF	3.30	0.85	<b>1.09</b>
Industrial	KBSF	1.40	0.85	<b>0.46</b>
Nonresidential	KBSF	2.24	0.85	<b>0.74</b>

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

Notes:

<sup>1</sup> Residents per unit is based on census data the 2020 U.S. Census American Community Survey 2022 5-Year Estimate for the City of Cotati and Penngrove CDP. Retail / commercial, office, and industrial density figures are based on the 2001 "Employment Density Study" prepared by The Natelson Company, Inc. for the Southern California Association of Governments expressed in terms of the number of employees per 1,000 square feet of building area.

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

## EXISTING FIRE 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 10,461. Existing demand EDUs represents the level of existing development served by the District's existing facilities.

**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
Single Family Housing	DU	5,958	1.00	5,958
Multi-Family Housing	DU	916	1.00	916
Mobile Home	DU	199	1.00	199
Institutional	KBSF	2,434	0.84	2,051
Nonresidential	KBSF	1,579	0.85	1,337
<b>Total</b>		<b>11,086</b>		<b>10,461</b>

Notes:

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

<sup>2</sup> See Figure 4. For Institutional, facility EDU demand factor is the equivalent demand factor from Figure 3.



## 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 cost (in 2024 dollars) for the District's existing fire facilities, including land and fire stations, as well as its apparatus such as engines and specialized vehicles, along with ancillary equipment.

Replacement values for fire stations are based on estimated construction costs per square foot prepared by Kitchell for neighboring Sonoma County fire agencies. 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 is provided in Appendix B.)

As shown below, the estimated replacement value of the District's existing fire protection facilities, apparatus, and equipment is approximately \$38.3 million.

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

<b>Cost Components</b>	<b>Total Replacement Value (2024\$) <sup>1</sup></b>
Land Value	\$2,012,000
Building Value	\$31,940,400
Apparatus / Vehicles Value	\$3,628,750
Equipment Value	\$745,000
<b>Total Fire System Facilities</b>	<b>\$38,326,150</b>

Source: Rancho Adobe 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 uses categories in proportion to the demand they create as measured by their EDU demand factor.

### EXISTING FIRE 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 \$3,663.72 per demand EDU.

**FIGURE 7 – EXISTING FIRE FACILITIES STANDARD**

Existing Fire System Facilities <sup>1</sup>	\$38,326,150
Existing Demand EDUs <sup>2</sup>	10,461
<b>Existing Facilities Standard</b>	<b>\$3,663.72</b>

Notes:

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

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

### RESIDENTIAL LAND USE CATEGORIES

Since residential land uses have varying 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 which 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, patios, enclosed patios, detached storage structures, or similar areas are excluded.

#### **RESIDENTIAL FIRE IMPACT FEE DETERMINATION**

Figure 8, on the following page, 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 four percent for administration of the fire impact fee program. The fee program administrative cost component is designed to offset the cost of District, 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.

The District may approve, and the City and County may adopt fees lower than the maximum, justified amounts shown below, provided that they are reduced by the same percentage for each land use category.

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	\$3,663.72	1.00	\$3,663.72	\$146.55	1,905	\$2.00
Multi-Family Housing	\$3,663.72	0.80	\$2,930.97	\$117.24	1,100	\$2.77
Mobile Home	\$3,663.72	0.58	\$2,124.96	\$85.00	1,400	\$1.57
ADU < 750 sq. ft. <sup>5</sup>	NA	NA	NA	NA	NA	Exempt
ADU => 750 sq. ft. <sup>5</sup>	NA	NA	NA	NA	NA	\$2.00

Notes:

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

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

<sup>3</sup> Average living areas area from data from the Sonoma 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.

<sup>5</sup> Pursuant to Govt. Code § 65852.2(f)(3)(A), development impact fees for a new accessory dwelling unit must be imposed proportionately in relation to the square footage of the primary dwelling unit. Accessory dwelling units less than 750 square feet of living area are exempt.

### NONRESIDENTIAL LAND USE CATEGORIES

As stated earlier, the Mitigation Fee 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 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, hotel/motel, and other 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 principal use of the development are excluded.

**NONRESIDENTIAL FIRE IMPACT FEE DETERMINATION**

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

The District may approve, and the City and County may adopt fees lower than the maximum, justified amounts shown below, provided that they are reduced by the same percentage for each land use category.

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

<b>Nonresidential Land Use Categories</b>	<b>Existing Facilities Standard <sup>1</sup></b>	<b>EDU Demand Factor <sup>2</sup></b>	<b>Cost per Unit</b>	<b>Fee Program Admin. 4%</b>	<b>Total Cost per Unit</b>	<b>Maximum Fire Impact Fee <sup>3</sup></b>
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	\$3,663.72	0.66	\$2,418.05	\$96.72	\$2,514.78	<b>\$2.51</b>
Office	\$3,663.72	1.09	\$3,993.45	\$159.74	\$4,153.19	<b>\$4.15</b>
Industrial	\$3,663.72	0.46	\$1,685.31	\$67.41	\$1,752.72	<b>\$1.75</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.

## PROJECTED FIRE IMPACT FEE REVENUE

Figure 10 projects fire impact fee revenue through 2040. Total fire impact fee revenue (in 2024 dollars) is then calculated by multiplying the fire facilities demand standard by demand EDU growth. Residential demand assumes an annual growth rate of 1 percent. It is assumed that nonresidential development will occur proportionately. As shown, fire impact fee revenue will contribute approximately \$3.64 million (in 2024 dollars) towards the District's future long-term capital improvement 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.

**FIGURE 10 – PROJECTED FIRE IMPACT FEE REVENUE**

Land Use Category	Current	Demand EDU	Existing	Projected Fire
	Demand EDUs (2024) <sup>1</sup>	Growth (2043) <sup>2</sup>	Facilities Standard <sup>3</sup>	Impact Fee Revenue (2024\$) <sup>4</sup>
	Calc	a	b	c
				d = b * c
Residential		7,073	836	\$3,663.72
Nonresidential		1,337	158	\$3,663.72
<b>Total District</b>		<b>8,410</b>	<b>994</b>	<b>\$3,663.72</b>
				<b>\$3,641,000</b>

Source: Association of Bay Area Governments; SCI Consulting Group

Notes:

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

<sup>2</sup> Based on a projected annual growth rate of 1% .

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

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

It is important to note at the fire impact fee program is designed not to be dependent on a specific capital improvement plan and specific level of new development. Only enough fee revenue will be generated for the District to expand its existing level of service to serve the growing service population.

The District will need to fund existing deficiencies and any other purchases and improvement costs above its existing level of service with other funding sources. Other potential funding sources 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.

Fee revenue may be used to fund up to 100 percent of the cost of the new or expansion of fire stations or new apparatus and vehicles added to the District's inventory. Additionally, the District will also need to replace apparatus and vehicles more quickly due to the increase in service calls from the growth in the persons and structure area created by new development. The District will be able to use fee proceeds to fund up to 10.6 percent of apparatus and vehicle replacement costs.<sup>3</sup> Fee revenue may not be used to fund 1) the renovation of existing facilities and 2) operational, maintenance, or repair costs. (The use of the fee is detailed further in the next section.)

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<sup>3</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. The justification of the fire impact fee on new development must provide information as set forth in Government Code § 66000. 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 to fund the cost of expanded facilities, apparatus, ambulances, and equipment to serve new development. Provided below is a summary of the allowable and prohibited uses of fee revenue.

**FIGURE 11 – SUMMARY OF ALLOWABLE AND PROHIBITED USES OF FEE REVENUE**

<u><b>Allowable Uses</b></u>	<u><b>Prohibited Uses</b></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 (10.6%)</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 (89.4%)</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 replace and 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 / NEED RELATIONSHIP**

New residential and nonresidential development projects in the District will grow the persons (residents and employees) and the structural area (residential area and nonresidential building area) in 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. 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 protection facilities. 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 six 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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Under California law, the District does not have land use authority to impose impact fees on development projects. Because the District serves an unincorporated area of the County, the County Board of Supervisors must adopt the fire impact fee program on behalf of the District.

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 the adoption of the fee program may be found in the Mitigation Fee Act (California Govt. Code § 66000 et seq.) and County Municipal Code. SCI recommends that the notice and hearing requirements be duplicated by the District and the City and County.

### RANCHO ADOBE FIRE PROTECTION DISTRICT

1. The District Board of Directors shall conduct at least "one open and public meeting" as part of a regularly scheduled meeting on the proposed fee program.
2. At least 30 days before the meeting, the District shall mail out 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 District shall make available to the public the Nexus Study for review.
4. At least 30 days before the public hearing, a notice of the time and place of the meeting shall be published twice in a newspaper of general circulation with at least five days intervening between the dates of first and last publication not counting such publication dates.
5. After the public hearing, 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 COTATI

1. The City 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 out 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 available to the public the Nexus Study for review.
4. At least 30 days before the public hearing, a notice of the time and place of the meeting shall be published twice in a newspaper of general circulation with at least five days intervening between the dates of 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 of the ordinance or longer as specified by the ordinance.

#### COUNTY OF SONOMA

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 out 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 available to the public the Nexus Study for review.
4. At least 30 days before the public hearing, a notice of the time and place of the meeting shall be published twice in a newspaper of general circulation with at least five days intervening between the dates of first and last publication not counting such publication dates.
5. After the public hearing, adopt an ordinance establishing the proposed fee program on behalf of the District.
6. The fee shall become effective 60 days after the adoption of the ordinance or longer as specified by the ordinance.

## **FEE PROGRAM ADMINISTRATION REQUIREMENTS**

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This section outlines the general requirements governing the administration of the fee program. For specific statutory guidelines regarding the administration of the fee program, reference is made to the Mitigation Fee Act (California Government Code § 66000 et seq.).

### **ACCOUNTING REQUIREMENTS**

Proceeds from the new fire impact fee should be deposited into a separate fund or account so that there will be no commingling of fees with other revenue or unexpended balances of the existing fee program funds. The fire impact fees should be expended solely for the purpose for which they were collected. Any interest earned by such an 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.

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 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.

#### **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.

#### **TRANSPARENCY REQUIREMENTS**

The District must clearly post the following information on the District's website. 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 it was adopted by the City Council and the County Board of Supervisors.
- Current and five previous Annual Reports.
- Current and any previous Nexus Study conducted after January 1, 2018.

#### **FEE EXEMPTIONS**

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

- A structure owned by a governmental agency.
- A structure which is being 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 prior to such damage, destruction or demolition.

- An accessory dwelling unit less than 750 square feet.
- 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 in order to comply with the Act and recent court cases. The fee credit shall be based on the effective fee for the demolished land use category. Additionally, 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 may be adjusted to reflect a fee credit for the cost of the dedicated land, facilities constructed, and apparatus/equipment provided.

#### **AUTOMATIC ANNUAL INFLATIONARY ADJUSTMENT**

The fire impact fee should be adjusted automatically without any further action by the District Board, City Council, or County Board in the first day of each fiscal year by the net percentage change during the preceding calendar in the Engineering News-Record Construction Cost Index (20-City Average), or its successor publication.

## APPENDICES

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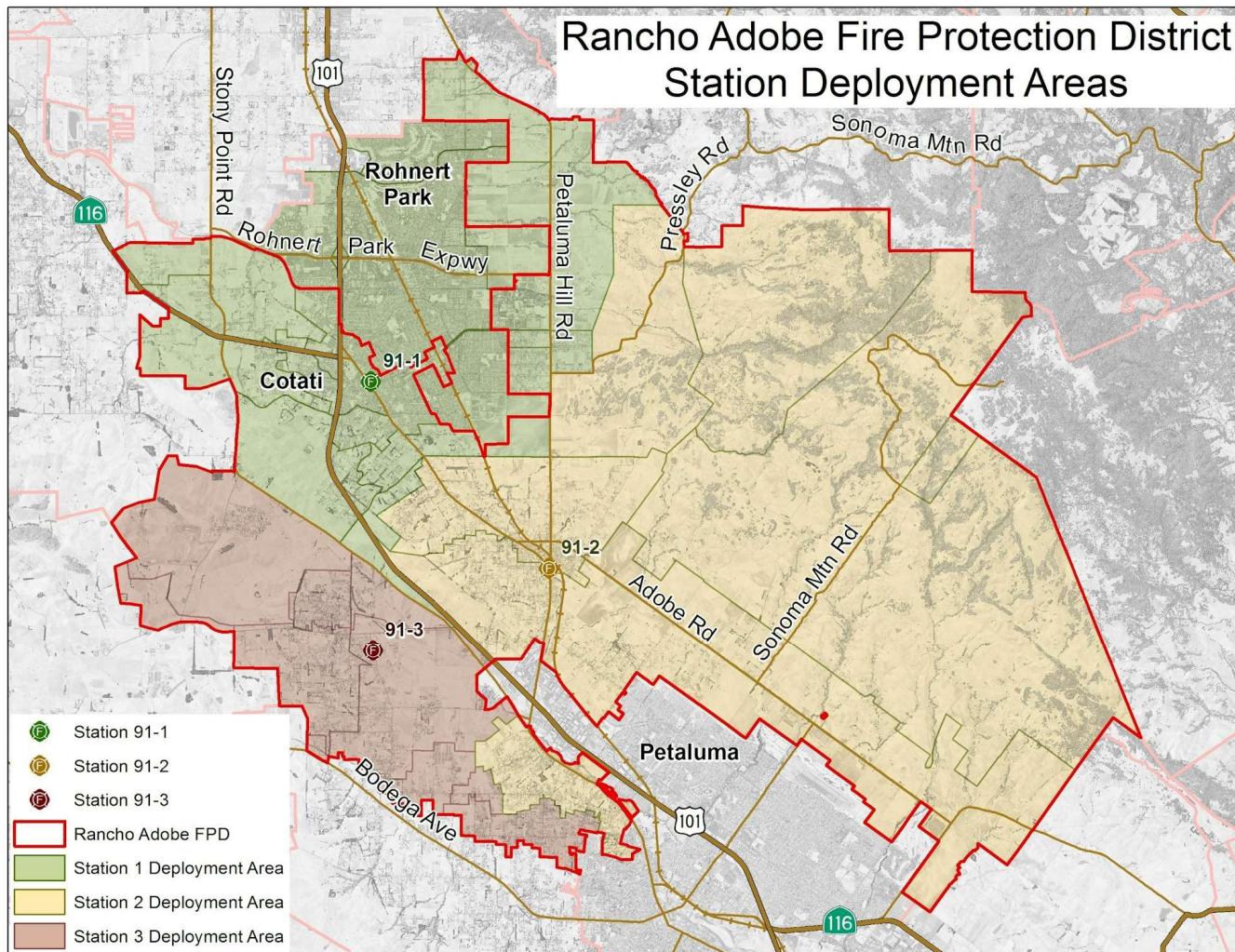
Appendix A – Map of District Boundaries and Fee Program Area

Appendix B – Fire System Inventory and Replacement Cost Estimates



## APPENDIX A – MAP OF DISTRICT BOUNDARIES AND FEE PROGRAM AREA

FIGURE 12 – MAP OF DISTRICT BOUNDARIES AND FEE PROGRAM AREA



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

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FIGURE 13 – EXISTING FIRE STATION INVENTORY

Fire Station	Units	Unit Cost <sup>1</sup>	Replacement Cost (2024\$)
Calc	a	b	c = a * b
<b>Station 1, 1 E. Cotati Ave, Cotati</b>			
Buldings	11,660 sq. ft.	\$1,290 per sq. ft.	\$15,041,400
<b>Station 2 and Administration, 11000 Main Street, Penngrove</b>			
Land	1.71 acres	\$400,000 per acre	\$684,000
Buldings	8,900 sq. ft.	\$1,290 per sq. ft.	\$11,481,000
<b>Station 3, 99 Liberty Road, Petaluma</b>			
Land	3.32 acres	\$400,000 per acre	\$1,328,000
Buldings	4,200 sq. ft.	\$1,290 per sq. ft.	\$5,418,000
<b>Total Replacement Cost (Land and Buildings)</b>			<b>\$33,952,400</b>

Source: Rancho Adobe Fire Protection District; Kitchell; SCI Consulting Group

Notes:

<sup>1</sup> Replacement values are based on estimated costs for new station construction from prepared by Kitchell for neighboring Sonoma County Fire agencies.

**FIGURE 14 – APPARATUS AND EQUIPMENT INVENTORY**

Unit ID	Type	Make / Model	Year	Apparatus / Vehicles <sup>1</sup>	Equipment	Replacement Value (2024\$)
9100	Command	F 250 Ford Pickup	2015	\$37,500	\$15,000	\$52,500
9140	Command	F 250 Ford Pickup	2011	\$25,000	\$15,000	\$40,000
9180	Type 1	Type 1 Ferrara Inferno	2002	\$237,500	\$95,000	\$332,500
9160	Type 3	Type 3 - Masterbody Model 15 2wd	1999	\$150,000	\$75,000	\$225,000
9162	Type 3	Type 3 7400 SFA 4 x 4 International	2007	\$156,250	\$75,000	\$231,250
9195	W/T	Peterbuilt Water Tender	2008	\$87,500	\$35,000	\$122,500
9196	W/T	Peterbuilt Water Tender	2008	\$87,500	\$35,000	\$122,500
9132	Type 4	Rescue F550 HI Tech Am. La France	2005	\$37,500	\$35,000	\$72,500
9161	Type 3	Type 3 7400 SFA 4 x 4 International	2015	\$350,000	\$35,000	\$385,000
9181	Type 1	Type 1 Ferrara Inferno	2017	\$450,000	\$95,000	\$545,000
9182	Type 1	Type 1 Ferrara Inferno	2017	\$450,000	\$95,000	\$545,000
BC9102	Command	F 250 Ford Pickup	2021	\$120,000	\$15,000	\$135,000
BC9111	Command	F 250 Ford Pickup	2022	\$120,000	\$15,000	\$135,000
BC9103	Command	F250 Ford Pick up	2022	\$120,000	\$15,000	\$135,000
9183	Type 1	Type 1 Ferrara Inferno	2022	\$1,200,000	\$95,000	\$1,295,000
<b>Total Apparatus and Equipment</b>				<b>\$3,628,750</b>	<b>\$745,000</b>	<b>\$4,373,750</b>

Source: Rancho Adobe Fire Protection District

Notes:

<sup>1</sup> Replacement 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% .)

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