



## **STAFF REPORT TO THE CITY COUNCIL**

**DATE:** Regular Meeting of October 11, 2018

**TO:** Members of the City Council

**SUBMITTED BY:** David Biggs, City Manager

**SUBJECT:** Update on Fire District Fire Impact fee Nexus Study

**RECOMMENDED ACTION:** Receive Update from the Fire District

**FISCAL IMPACT OF RECOMMENDATION:** None as a result of this item. There would be no direct fiscal impact on the City from an update of the Fire District's Fire Impact Fee should that be approved at a future date.

**DISCUSSION:** At the request of the Hercules Rodeo Fire District, the City Council has reviewed their proposed updated Fire Impact Fees. The first review was on March 13, 2018, which was a notice public hearing to consider adoption of the update fees. At that meeting, the City Council continued the public hearing to May 22, 2018, given questions asked and additional information requested. The staff report from May 22, 2018, which includes the March agenda item, is included as Attachment 1.

On May 22, 2018, the City had additional questions and concerns which they directed back to the Fire District. The City Council did not continue the public hearing with the intent that the matter would have to be re-noticed before it were considered again, after any clarifications/changes were incorporated into the Nexus Study.

The Fire District and their consultant have updated the Nexus Study in response to the Council's questions and concerns and the Board of the Fire District approved the updated Nexus Study at their meeting on September 12<sup>th</sup>. A copy of the Resolution is provided as Attachment 2. The updated Nexus Study is provided as Attachment 3.

The Fire Chief and their consultant will be present to make a presentations on the updated nexus Study.

### **ATTACHMENTS:**

1. Staff report from May 22, 2018
2. Fire District Resolution Approving Updated Nexus Study
3. Updated Nexus Study

*Financial Impact*

**Description:**

**Funding Source:**

**Budget Recap:**

|                        |  |                |    |
|------------------------|--|----------------|----|
| Total Estimated cost:  | \$   | New Revenue:   | \$ |
| Amount Budgeted:       | \$   | Lost Revenue:  | \$ |
| New funding required:  | \$   | New Personnel: | \$ |
| Council Policy Change: | Yes <input type="checkbox"/> No <input type="checkbox"/> |                |    |

## RESOLUTION 2018-06

### RESOLUTION OF THE RODEO-HERCULES FIRE PROTECTION DISTRICT BOARD OF DIRECTORS REQUESTING IMPLEMENTATION BY THE COUNTY OF CONTRA COSTA AND THE CITY OF HERCULES OF FIRE FACILITIES IMPACT FEES TO IMPLEMENT THEIR RESPECTIVE GENERAL PLAN GOALS, POLICIES AND OBJECTIVES FOR ASSURING ADEQUATE FIRE PROTECTION ASSOCIATED WITH NEW DEVELOPMENT

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A RESOLUTION TO ADOPT THE RODEO - HERCULES FIRE PROTECTION DISTRICT FIRE FACILITIES IMPACT FEE STUDY AND FEE AMOUNTS.

WHEREAS, the Rodeo – Hercules Fire Protection District ("District") provides Fire and Rescue Services to approximately 25 square miles of unincorporated and incorporated Contra Costa County with an approximate service population of nearly 40,000. This service area includes the unincorporated community of Rodeo, and the City of Hercules. The District currently imposes a fire facilities impact fee to support ongoing demands for fire services and the facilities needs to provide such service; and

WHEREAS, per the *Mitigation Fee Act* (Government Code Section 66000 *et. seq.*), cities hold the legal authority to impose fees on behalf of the District within their city limits. In unincorporated areas however, the County, rather than the District, has legal authority to impose impact fees; and

WHEREAS, in response to ongoing demands for service and the facilities needed to provide service, the Rodeo-Hercules Fire Protection District Board of Directors commissioned a "Fire Facilities Impact Fee Study" (FIFS) by Willdan Financial Services, a private financial consulting firm, dated August 16, 2018, consistent with the provisions of Government Code Section 66000 *et. seq.* including section 66001, to analyze methods to update and implement a fire facilities impact fee as authorized by Health and Safety Code section 13861(f), a portion of the Fire Protection Law of 1987, Health and Safety Code section 13800 *et seq.*, (the "Act"); and

WHEREAS, a report has been completed by Willdan Financial Services entitled "Fire Facilities Impact Fee Study," a copy of which is attached as Exhibit "A" to this Resolution, setting forth methods to update and implement a fire facilities impact fee that would include both the County and the City and making findings, which are consistent with provisions of Government Code Section 66000 *et. seq.* concerning the need, implementation, and use of such a fee by the District: and

WHEREAS, at a duly noticed regular meeting of the Board of Directors, the District Board accepted and adopted the Willdan Financial Services report entitled "Fire Facilities Impact Fee Study," dated August 16, 2018; and

WHEREAS, Government Code Section 66001 requires a local government to document the necessary five findings: Purpose of Fee, Use of Revenues, Benefit Relationship, Burden Relationship, and Proportionality; and

WHEREAS, the 2018 FIFS supports the need for mitigation fees in the amount of \$1,680 per Residential unit, \$1,036 per Multi-family Residential unit, \$0.84/ft. Commercial, \$1.13/ft. Office, \$0.48/ft. Industrial for new enclosed/habitable construction including miscellaneous buildings and garages and \$0.10/ft. for Hotel/Motel Rooms; and

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WHEREAS, as the County (consistent with its General Plan) and the City (consistent with its General Plan) have adopted Developer Fee Resolutions to assure adequate fire protection for new development, it is in the best interest of the District to request the County and the City to update those Resolutions or Ordinances, respectively through the adoption of the Fire Facilities Impact Fee described in the attached report.

NOW, THEREFORE, the Board of Directors of the Rodeo - Hercules Fire Protection District does hereby declare, find, resolve, approve, and adopt the 2018 FIFS and the Board of Directors establishes the Impact Fee for new development in the Rodeo - Hercules Fire Protection District, as follows

1. That there is a present and ongoing need to maintain and enhance the District's level of fire protection services and facilities within the District occasioned by existing and new development; and
2. That an Impact Fee is established equal to \$1,680 per Residential unit, \$1,036 per Multi-family Residential unit, \$0.84/ft. Commercial, \$1.13/ft. Office, \$0.48/ft. Industrial for new enclosed/habitable construction including miscellaneous buildings and garages, and \$.10 per/ft. hotel/motel room, effective 60 days from the signed date of this resolution; and
3. That annually as part of the budget process, the Fire Chief shall review the estimated cost of the described capital improvements, the need for those improvements, and the reasonable relationship between such need and the impacts of the various types of development pending or anticipated and for which the Fire Facilities Impact Fee is charged; and
4. That the Fire Facilities Impact Fee will have an automatic annual adjustment based on the "construction cost index" or the "consumer price index," whichever is higher, to keep up with the cost of inflation on the cost of the capital projects, but not less than the fees stated in the 2018 Engineer's Report; and
5. That the Fire Facilities Impact fee established by this Resolution shall replace the previous Fire Facilities Impact Fee adopted by the District.

### **Publication and Effective Date**

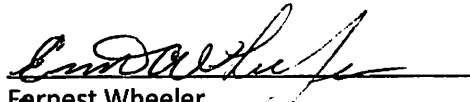
This Resolution shall be published in accordance with applicable law, by one or more of the following methods:

1. Posting the entire Resolution in at least three (3) public places in the Rodeo – Hercules Fire Protection District, within fifteen (15) days after its passage and adoption; or
  2. Publishing the entire Resolution at least once in the West County Times, a newspaper of general circulation published in the County of Contra Costa within fifteen (15) days after its passage and adoption; or
  3. Publishing a summary of the Resolution in the West County Times and posting a certified copy of the entire Resolution in the District office of the Rodeo – Hercules Fire Protection District at least five (5) days prior to the passage and adoption, and a second time within fifteen (15) days after its passage and adoption, along with the names of those Board Members voting for and against the Resolution.
- b. This Resolution shall go into effect thirty (30) days after the date of its passage and adoption.

## RESOLUTION 2018-06

**APPROVED AND ADOPTED** THE FOREGOING RESOLUTION was first read at a regular meeting of the Rodeo – Hercules Fire Protection District on the 12 day of SEP., 2018, and was passed and adopted at a regular meeting of the Rodeo – Hercules Fire Protection District on the 12 day of SEP., 2018, by the following vote:

AYES: 4  
NOES: 0  
ABSENT: 1  
ABSTAIN: 0

  
Ernest Wheeler  
Chairman of the Board  
Rodeo – Hercules Fire Protection District