



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of May 22, 2018

TO: Members of the City Council

SUBMITTED BY: David Biggs, City Manager
Patrick Tang, City Attorney

SUBJECT: Public Hearing to Adopt a Resolution Amending Development Impact Fees to Incorporate the Updated Rodeo-Hercules Fire Protection District Levied Fire Facilities Impact Fee and Amending the City's Master Fee Schedule.

RECOMMENDATION: Open the Public Hearing, Take Public Testimony, Close the Public Hearing, and Adopt a Resolution Amending Development Impact Fees to Incorporate the Updated Rodeo-Hercules Fire Protection District Levied Fire Facilities Impact Fee and Amending the City's Master Fee Schedule as presented or as modified as desired by the City Council.

COMMISSION/SUBCOMMITTEE ACTION AND RECOMMENDATION: Not Applicable.

FISCAL IMPACT OF RECOMMENDATION: None for the City as the Fire Facilities Impact Fee is levied by the Rodeo-Hercules Fire Protection District and is passed on in its entirety to the District.

DISCUSSION: This matter was previously scheduled to be considered by the City Council at a public hearing noticed for March 13, 2018. A copy of the staff report from that meeting is attached which provides additional detail on what is being considered (Attachment 1). The Fire District commissioned nexus study is also provided as Attachment 2. Due to procedural concerns, the matter was not heard at that time.

During the intervening period, the Fire District provided a letter on March 29, 2018, and also provided responses via e-mail to questions from City Council Members as provided to the Fire Chief by the City Manager. This supplemental information is included as Attachment 4.

This matter was re-noticed for public hearing this evening and the Fire District Nexus Study has been available for inspection at City Hall for 10 days as required under State law.

In the past, Fire Impact fees have been considered and approved as part of City-led comprehensive update of all fees. This current request to revise Fire Impact Fees has been initiated and acted upon by the Fire District and forwarded to the City Council for approval. The March 13, 2018, staff report approached the proposed fee increase as a ministerial matter since the Fire District Board had approved the proposed fees and nexus study already.

The City Attorney has conducted additional review of the requirements for City Council consideration and approval of impact fees as provided for under State law, including those fees which originated with another governmental entity like the Fire District. The City Attorney believes that, while the Fire District is required to undergo a public process for reviewing and recommending fee updates, under State law, the fees are levied by the City and become effective upon the approval of the City Council. As such, the City Council retains authority to enact the fees at the level proposed in the nexus study, at a lower level, or not at all. In addition, State law requires that the City Council approve the nexus study. As such, the City Council may require that the nexus study be changed or modified in any manner it deems necessary to satisfy the City Council as to its accuracy and appropriateness.

The City Council should proceed with the noticed public hearing and, based upon the testimony presented, the existing nexus study, and the answers provided to Council questions, the Council may adopt a resolution (Attachment 3) approving the proposed fees and amending the City's Master Fee Schedule. Alternatively, the City Council could request additional information, require modifications to the existing nexus study, or take no action. Depending upon the Council's review, the Council could modify the proposed impact fees, either at this meeting or at a future meeting, if additional information or modifications are needed.

ATTACHMENTS:

Attachment 1 – Staff Report from March 13, 2018

Attachment 2 – Fire District Nexus Study

Attachment 3 – Fire District Supplemental Information

Attachment 4 - Resolution



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SUBMITTED BY: David Biggs, City Manager

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COMMISSION/SUBCOMMITTEE ACTION AND RECOMMENDATION: Not Applicable.

FISCAL IMPACT OF RECOMMENDATION: None for the City as the Fire Facilities Impact Fee is levied by the Rodeo-Hercules Fire Protection District and is passed on in its entirety to the District.

DISCUSSION: California cities and special districts have a constitutional police power to protect the public health, safety and welfare. From that police power flows a broad authority to regulate new development, including the power to exact things of value as a condition of allowing new development to occur. New development causes impacts on the need to provide permanent public infrastructure. A city or other agency may exact a fee upon new development, if the city can demonstrate a reasonable relationship leading from the new development's impacts to the need for permanent public infrastructure. That relationship may include both direct and indirect impacts.

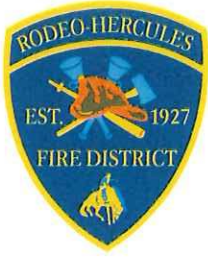
The Rodeo-Hercules Fire Protection District is an independent agency which provides fire protection services in the City of Hercules and the unincorporated community of Rodeo. On January, 11, 2018, the Board of the District conducted a public hearing and adopted Resolution 2018-01 which approved an updated nexus study and an update to the Fire Facilities Impact Fee already being levied and adopted updated fees. The Resolution and the supporting nexus study are provided as Attachment 2.

The Fire Facilities Impact Fees as imposed by the Rodeo-Hercules Fire Protection District as adopted by Resolution 2018-01 are \$1,729 per residential unit, \$1,060 per multifamily residential unit, \$0.87/sq. ft. Commercial, \$1.18 sq. ft. Office, \$0.50/sq. ft. Industrial for new enclosed/habitable construction including miscellaneous building and garages, and \$92.00 per hotel/motel room, with an automatic annual adjustment based on the “construction cost index,” or the “consumer price index,” whichever is higher.

The City is required to accept the updated study and the new fees need to be added to our Master Fee Schedule. Attachment 1 is a resolution which accepts the District’s updated nexus study and fees with the updated fees being added to the City’s Master Fee Schedule. The new fees would be effective here in Hercules as of the date of adoption of the City’s resolution.

ATTACHMENTS:

1. Resolution
2. Fire District Request, Resolution, and Nexus Study



RODEO - HERCULES FIRE PROTECTION DISTRICT
1680 REFUGIO VALLEY ROAD, HERCULES, CALIFORNIA 94547
(510) 799-4561 • FAX: (510) 799-0395

January 17, 2018

David Biggs, City Manager
City of Hercules
111 Civic Drive
Hercules CA, 94547

Re: Rodeo-Hercules Fire Facilities Impact Fees

Dear Mr. Biggs,

During the regular board meeting of the Rodeo-Hercules Fire Protection District held on January 11, 2018, after holding two public hearings, the Board of Directors unanimously passed Resolution 2018-01, establishing Fire Facilities Impact Fees for the City of Hercules and unincorporated Contra Costa County located in the Rodeo-Hercules Fire Protection District. Please find attached a copy of the Resolution and the Engineer's report from Willdan Financial Services that was used in establishing the new fee structure.

Sincerely,


Bryan Craig
Interim Fire Chief

RESOLUTION 2018-01

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

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 an impact fee of \$1,029 per single-family dwelling unit, \$662 per multi-family dwelling unit, \$721, \$536 and \$306 per 1,000 square feet for office, commercial and industrial development, respectively; and

WHEREAS, As per the *Mitigation Fee Act* contained in 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 October 4, 2017, 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 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 October 4, 2017; and

WHEREAS, Government Code Section 66000 *et. seq.* (CGC 66000) requires local government to document the necessary five findings: Purpose of Fee, Use of Revenues, Benefit Relationship, Burden Relationship, and Proportionality; and

WHEREAS, the 2017 FIFS supports the need for mitigation fees in the amount of \$1,729 per Residential unit, \$1,060 per Multi-family Residential unit, \$0.87/ft. Commercial, \$1.18/ft. Office, \$0.50/ft. Industrial for new enclosed/habitable construction including miscellaneous buildings and garages; and

RESOLUTION 2018-01

WHEREAS, as the County (consistent with its General Plan) and the City (consistent with its General Plan) have adopted Developer Fee Ordinances 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 ordinances through the adoption of the Fire Facilities Impact Fee as described in the attached report.

NOW, THEREFORE, the Board of Directors of the Rodeo - Hercules Fire Protection District do hereby declare, find, resolve, approve, and adopt the 2017 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 equal to \$1,729 per Residential unit, \$1,060 per Multi-family Residential unit, \$0.87/ft. Commercial, \$1.18/ft. Office, \$0.50/ft. Industrial for new enclosed/habitable construction including miscellaneous buildings and garages, and \$92.00 per 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 2017 Engineer's Report.

APPROVED AND ADOPTED by the Board of Directors of the Rodeo – Hercules Fire Protection District held on January 11, 2018 by the following vote:

AYES: 3
NOES: 0
ABSENT: 2
ABSTAIN: 0



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

FIRE FACILITIES IMPACT FEE UPDATE STUDY

RODEO-HERCULES FIRE PROTECTION DISTRICT

FINAL DRAFT

OCTOBER 4, 2017



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Table of Contents

Introduction	1
Fire Facilities Service Population	1
Land Use Types	3
Occupant Densities	3
Existing Fire Facilities	4
Fire Facilities to Accommodate New Development	7
Fire Facility Standards	7
Alternative Funding Sources	8
Fee Schedule	9
Program Implementation	9
Mitigation Fee Act Findings	10

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Fire Facilities Impact Fee Study

This report summarizes an analysis of the need for fire facilities by the Rodeo-Hercules Fire Protection District ("RHFPD"; "District") to accommodate new development. The report documents a reasonable relationship between new development and an impact fee for funding new facilities to serve that development.

Introduction

The District protects an area of approximately 25 square miles of unincorporated and incorporated Contra Costa County with an approximate service population of nearly 40,000. The service area includes the unincorporated community of Rodeo, and the City of Hercules. The District currently imposes an impact fee of \$1,029 per single-family dwelling unit, \$662 per multi-family dwelling unit, \$721, \$536 and \$306 per 1,000 square feet for office, commercial and industrial development, respectively.

As with most local agencies, the District's property tax revenue stream has diminished in terms of real dollars over time since the imposition of Proposition 13 in 1978. Consequently, the District must manage its resources carefully to properly serve the projected influx of new residents and businesses to the region.

As per the *Mitigation Fee Act* contained in 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. This report provides the necessary documentation for the jurisdictions to adopt a fire facilities impact fee for imposition within the District. It also provides a list of statutory findings pertaining to the imposition of the District fees.

The following sections of this report define and present the existing service population for the District, describe the existing inventory of fire protection facilities as well as a list of planned facilities and determine the proportional share of planned fire facilities – and corresponding impact fees – by land use type. Finally, this report provides a brief section on impact fee program implementation and addresses the list of findings required by the *Mitigation Fee Act*.

Fire Facilities Service Population

The Rodeo-Hercules Fire Protection District serves all structures including homes, businesses, schools, hospitals and other miscellaneous structures in its service area. Demand for the District's services and associated facilities is measured by its service population, or the number of residents and workers within its service area. Service population reasonably represents the need for fire facilities because people requesting medical assistance generate the most calls for service. Structural fire suppression is the second most important mission of the fire department after the protection of life.

Table 1 provides estimates of the District's total service population in 2017 and 2035. 2017 is the most recent year for which demographic data for the District was available at the time of this study. Total service population is comprised of residents and employees working within the District.

Table 1: Rodeo-Hercules Fire Protection District Service Population

	A	B	C	D = A + (B x C)
	Residents ¹	Workers ²	Worker Demand Factor ³	Service Population
<u>Existing Development (2017)</u>				
City of Hercules	25,600	4,600	0.69	28,800
Town of Rodeo (uninc.)	9,700	1,000	0.69	10,400
Subtotal	35,300	5,600		39,200
<u>New Development (2017-2035)</u>				
City of Hercules	7,300	1,300	0.69	8,200
Town of Rodeo (uninc.)	2,800	300	0.69	3,000
Subtotal	10,100	1,600		11,200
<u>Total Development (2035)</u>				
City of Hercules	32,900	5,900	0.69	37,000
Town of Rodeo (uninc.)	12,500	1,300	0.69	13,400
Subtotal	45,400	7,200		50,400

Note: Figures have been rounded to the nearest hundred.

¹ Existing residential population is based on the CA DOF Table E-5 for the City of Hercules and American Community Survey Table DP05 for unincorporated Rodeo. Growth based on 1.4% annual growth rate implied by ABAG projections.

² Current employment based on most recent job counts for city of Hercules and Rodeo CDP as identified by OnTheMap, US Census. The growth in workers is determined by maintaining the 2017 resident to worker ratio.

³ Service population worker demand factor based on City of Phoenix service call data weighted by the relative proportions of residential and nonresidential land use in the City.

Sources: California Department of Finance, Table E-5; Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates, Table DP05; U.S. Census Bureau, 2016, OnTheMap Application; Willdan Financial Services.

An estimate of existing residential population comes from the California Department of Finance for the City of Hercules, and the US Census' American Community Survey for unincorporated Rodeo. Growth in residents is based on 1.4% annual average growth rate implied by ABAG projections.

Current employment based on most recent job counts for city of Hercules and Rodeo CDP as identified by OnTheMap, US Census. The growth in workers is determined by maintaining the 2017 resident to worker ratio.

The specific 0.69 per worker weighting used here is derived from an extensive study carried out by planning staff in the City of Phoenix. Data from that study is used to calculate a per capita factor that is independent of land use patterns. It is reasonable to assume that relative demand for fire service between residents and workers does not vary substantially on a per capita basis across communities, enabling the use of this data in other communities in the documentation of a fire facilities impact fee.

The ratio of the worker per capita factor to the resident per capita factor is the worker demand factor shown in Table 1.

Land Use Types

To ensure a reasonable relationship between each fee and the type of development paying the fee, the fee schedule distinguishes between different land use types. The land use types that impact fees have been calculated for are defined below.

- **Single family:** Detached and attached one-unit dwellings, including single family homes and townhouses.
- **Multi-family:** All attached multi-family dwellings including duplexes and condominiums.
- **Commercial:** All commercial, retail, educational, and hotel/motel development.
- **Office:** All general, professional, and medical office development.
- **Industrial:** All manufacturing and warehouse development.

Some developments may include more than one land use type, such as a mixed-use development with both multi-family and commercial uses. In those cases, the facilities fee would be calculated separately for each land use type.

The District has the discretion to determine which land use type best reflects a development project's characteristics for purposes of imposing an impact fee and may adjust fees for special or unique uses to reflect the impact characteristics of the use.

Occupant Densities

All fees in this report are calculated based on dwelling units or building square feet. Occupant density assumptions ensure a reasonable relationship between the size of a development project, the increase in service population associated with the project, and the amount of the fee.

Occupant densities (residents per dwelling unit or workers per building square foot) are the most appropriate characteristics to use for most impact fees. The fee imposed should be based on the land use type that most closely represents the probable occupant density of the development.

The average occupant density factors used in this report are shown in **Table 2**. The residential density factors are based on data for the City of Hercules from the US Census' 2011-2015 American Community Survey, Tables B25033 and B25024.

The nonresidential occupancy factors are based on occupancy factors found in the District's *Fire Facilities Impact Fee Study*, 2009. This study uses those factors for consistency.

Table 2.2: Occupant Density**Residential**

Single Family	3.18	Residents Per Dwelling Unit
Multifamily	1.95	Residents Per Dwelling Unit

Nonresidential

Commercial	2.33	Employees per 1,000 square feet
Office	3.13	Employees per 1,000 square feet
Industrial	1.33	Employees per 1,000 square feet

Sources: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates, Tables B25024 and B25033; The Natelson Company, Inc., Employment Density Study Summary Report, prepared for the Southern California Association of Governments, October 31, 2001, SCAG region data; Willdan Financial Services.

Existing Fire Facilities

The District's inventory of existing and planned fire facilities was used as part of the basis for calculating the District's facility standard. This standard is used to determine new development's fair share obligation for expanded facilities as growth occurs. The District's existing fire protection facilities described in this section currently serve the entire District.

Tables 3 through 5 provide a detailed inventory of the District's land, buildings, vehicles, apparatus and special equipment. The estimated value of the District's inventory is based on unit cost assumptions. Unit costs reflected in Tables 3, 4 and 5 include the following:

- **Land cost per acre.** Estimated cost per acre based on the District planned land acquisition estimates.
- **Buildings.** Estimated replacement costs.
- **Apparatus/Vehicles/Equipment.** Estimated replacement cost of apparatus, vehicles and equipment carried on apparatus provided by the District.

Table 3 highlights the District's existing inventory of land and buildings. The District currently serves the entire service area from two stations. In total the District owns approximately \$5.5 million worth of land and buildings.

Table 3: Existing Land and Buildings

	Quantity	Unit Value ¹	Total Value
<u>Rodeo Fire Station 75</u>			
Land	0.25 acres	\$ 387,000	\$ 96,800
Building	5,413 sq. ft.	440	2,381,700
Subtotal			\$ 2,478,500
<u>Hercules Fire Station 76</u>			
Land	0.99 acres	\$ 387,000	\$ 383,100
Building	5,980 sq. ft.	440	2,631,200
Subtotal			\$ 3,014,300
Total Value, Buildings and Land			\$ 5,492,800

¹ Land values based on planned land acquisition costs.

Sources: Rodeo-Hercules FPD; Willdan Financial Services.

Table 4 displays the inventory and estimated value of existing firefighting apparatus and vehicles. In total the District owns approximately \$4.3 million worth of fire protection vehicles and apparatus.

Table 4: Existing Apparatus and Equipment Inventory and Valuation

Vehicle	Type	Model	Year Purchased	Current Replacement Cost
Fire Chief Vehicle (1)	Staff	Chevrolet Tahoe	2017	\$ 65,000
Battalion Chief Vehicle (1)	Staff	Chevrolet Tahoe	2017	65,000
E-75	Type I	Spartan	2014	750,000
E-75A	Type I	Spartan	2000	750,000
Q-76	Quint	Smeal	2006	1,000,000
E-76	Type I	Spartan	2018	750,000
376	Type III	International	2005	400,000
375	Type III	International	2007	400,000
Utility Pick-up	Staff	Ford F-350	2005	90,000
Total				\$ 4,270,000

Source: Rodeo-Hercules FPD.

Table 5 displays the District's inventory of special equipment, including information technology, training equipment, ladders, hoses, nozzles and a variety of firefighting items. In total the District owns \$1.5 million worth of special equipment.

Table 5: Existing Special Equipment Inventory

Description	Replacement Cost
<i><u>Fire Equipment</u></i>	
Computers and Main frame for 10 work stations	\$ 50,000
Specialized hand held fire suppression equipment	11,000
Interior firefighting Live fire training simulator	45,000
Training interior ladder tower	30,000
Office Furniture	18,400
Fire suppression and large capacity water delivery Hose	72,000
Ladders	9,500
Medical equipment including, monitors and difibulators	175,000
Fire Suppression Nozzles	84,200
Portable Medical Oxygen	10,000
Physical Fitness Equipment	55,000
Radios: Base Station, Portable and Mobile	210,000
Vehicle based Mobile Data Transmission and tracking	36,000
Hydraulic and Edraulic Forcible rescue tools	195,000
Thermal imaging cameras	80,000
High and Low Angle Rescue	15,000
Personnel Protective Clothing	100,000
Self-Contained Breathing Apparatus	270,000
Hand held tools	12,000
Miscellaneous	60,000
Total:	\$ 1,538,100

Source: Rodeo-Hercules FPD.

Table 6 summarizes the estimated value of the District's existing inventory of fire facilities, as shown in Tables 3, 4 and 5. The District currently owns the equivalent of approximately \$11.4 million in fire protection facilities, apparatus and equipment to meet the needs of its existing service population.

Table 6: Estimated Total Value of Existing Inventory

Description	Value
Stations	\$ 5,492,800
Apparatus	4,270,000
Other Equipment	1,538,100
Subtotal	\$ 11,300,900
Total Fund Balance from District Impact Fee Program	\$ 38,000
Total Value of Existing Inventory	\$ 11,339,000

Note: Totals have been rounded.

Sources: Rodeo-Hercules FPD; Tables 3, 4 and 5, Willdan Financial Services.

Fire Facilities to Accommodate New Development

Table 7 identifies the District's preliminary planned facilities. These facilities were identified by the District as facilities needed to serve new development. The cost to construct a new station is based on recent cost estimates for Station 70 in nearby San Pablo. Currently the District anticipates the acquisition of land and construction of a new station as necessary to serve development as it occurs in the District. The District also anticipates purchasing several apparatuses, including equipment. In total, the District has identified \$15.5 million in planned fire protection facilities.

Table 7: Planned Fire Facilities

Item	Quantity	Unit Cost	Total Cost
New station construction	11,000 sq. ft.	\$ 990	\$ 10,890,000
Land acquisition	3.83 acres	387,467	1,484,000
Type 1 engine plus equipment	1 engine	850,000	850,000
Type 3 engine plus equipment	1 engine	500,000	500,000
100' ladder truck plus equipment	1 truck	1,850,000	1,850,000
Total Cost of Planned Fire Facilities			\$ 15,574,000
Less Existing Fund Balance			(38,000)
Net Cost of Planned Facilities			\$ 15,536,000

Note: Figures have been rounded.

Sources: Rodeo-Hercules FPD; and Willdan Financial Services.

Fire Facility Standards

The fire facilities impact fees calculated in this report are based on a system facilities standard approach. The system standard approach calculates the level of investment that will be achieved in the District once all planned facilities are built and the service population has increased. This per capita facility standard is calculated by dividing the total investment in existing and planned facilities, by the service population at the planning horizon, and is displayed in **Table 8**.

Table 8: System Plan Standard

Value of Existing Facilities	\$ 11,300,900
Value of Planned Facilities	15,574,000
Total	\$ 26,874,900
Future Service Population (2035)	50,400
System Plan Standard per Capita	\$ 533
Standard per Resident	\$ 533
Standard per Worker ¹	368

¹ Based on a worker weighting factor of 0.69.

Sources: Tables 1, 6 and 7; Willdan Financial Services.

The projected impact fee revenue from new development within the District is shown in **Table 9**. The bottom line of Table 9 shows that to complete future facilities as currently planned there is a need for \$9.6 million in revenue from non-fee funding sources. To complete the planned facilities that represent an increase in facility standards, the District will need to identify an additional \$9.6 million by the planning horizon.

Table 9: Projected Impact Fee Revenue - System Plan Standard

Net Cost of Planned Facilities	\$ 15,536,000
Value of Facility Standards per Capita	\$ 533
Service Population Growth Within District	11,200
Total Projected Fire Facilities Impact Fee Revenue	\$ 5,969,600
Non-Impact Fee Revenue Needed	\$ 9,566,400

Sources: Tables 1, 7 and 8, Willdan Financial Services.

Alternative Funding Sources

The District recognizes that non-fee revenues will be needed to fund a portion of the planned facility costs. The District has already begun taking steps to develop alternative revenue sources to fund fire facilities, particularly the District is investigating establishing a community facilities district (CFD). Other sources of revenue include, but are not limited to General Fund revenue, special taxes, grants and assessment districts. General Fund revenue is derived from the District's share of the constitutionally imposed one percent property tax rate. Any new or increased special tax would require two-thirds voter approval. Any new or increased assessment would require a majority property

owner approval. Any new or increased property-related charge or fee would require a majority voter approval.

Fee Schedule

Table 10 shows the maximum justified fire protection facilities fee schedule. The cost per capita is converted to a fee per unit of new development based on dwelling unit and employment densities (persons per dwelling unit or employees per 1,000 square feet of nonresidential building space) from Table 2. The total fee includes a two percent (2%) percent administrative charge to fund costs that include: a standard overhead charge applied for legal, accounting, and administrative support, and fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

In Willdan's experience with impact fee programs, two percent of the base fee adequately covers the cost of fee program administration. It should be reviewed and adjusted during comprehensive impact fee updates to ensure that revenue generated from the charge sufficiently covers, but does not exceed, the administrative costs associated with the fee program.

Table 10: Fire Facilities Impact Fee - System Plan Standard

Land Use	A Cost Per Capita	B Density	C = A x B Base Fee ¹	D = C x 0.02 Admin Charge ^{1, 2}	E = C + D Total Fee ¹	E / 1,000 Fee per Sq. Ft.
<i>Residential (per dwelling unit)</i>						
Single Family	\$ 533	3.18	\$ 1,695	\$ 34	\$ 1,729	
Multi-family	533	1.95	1,039	21	1,060	
<i>Nonresidential (per 1,000 square feet)</i>						
Commercial	\$ 368	2.33	\$ 857	\$ 17	\$ 874	\$ 0.87
Office	368	3.13	1,152	23	1,175	1.18
Industrial	368	1.33	489	10	499	0.50

¹ Fee per dwelling unit (residential) or per 1,000 square feet (nonresidential).

² Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Sources: Tables 2 and 8; Willdan Financial Services

Program Implementation

The fire facilities impact fee would be collected at time of building permit issuance. Because the District does not have the statutory authority to adopt a fee, it must rely on the City Council and County Board of Supervisors for the authority within each respective jurisdiction. In addition, to implement the fee the District, in cooperation with the County and City, should:

- Seek to acquire the necessary property for new stations through purchase or dedication and maintain an updated master plan indicating fire facility standards and the types of facilities anticipated to accommodate growth;
- Identify funding sources to complement impact fee revenues to fully fund planned facilities;
- Maintain an annual Capital Improvement Program budget or another accounting mechanism

- to indicate where fees are being expended to accommodate growth;
- Maintain records on use of the administrative charge to justify the amount;
- Comply with the annual and five-year reporting requirements of *Government Code* Section 66001 and 66006; and
- Identify appropriate inflation indexes in the fee ordinance and allow an automatic inflation adjustment to the fee annually.

Typically, an inflation index can be based on the District's recent capital project experience or from any reputable published source. Willdan recommends using the local Construction Cost Index of the Engineering News Record. The District may also elect to use separate indexes for land and construction. Calculating the land index may require use of a property appraiser every several years. To calculate the fee increase, total planned facility costs represented by land or construction, as appropriate, should weight each index.

Mitigation Fee Act Findings

To guide the widespread imposition of development impact fees, the State Legislature adopted the *Mitigation Fee Act* (the *Act*) with Assembly Bill 1600 in 1988 and subsequent amendments. The *Act* is contained in *California Government Code* Section 66000 *et seq.* and establishes requirements for the imposition and administration of impact fee programs. The *Act* became law in January 1988 and requires local governments to document the five findings explained in the sections below when adopting an impact fee. For the fire facilities impact fee to be adopted by the County of Contra Costa (County) on behalf of the Rodeo-Hercules Fire Protection District, the findings are summarized here and supported in detail by the report that follows. All statutory references are to the *Act*.

Purpose of Fee

For the first finding the District must:

Identify the purpose of the fee. (§66001(a)(1))

The purpose of the Rodeo-Hercules Fire Protection District fire facilities impact fee is to provide a funding source from new development for capital improvements to serve that development. The fee advances a legitimate interest of the District, County and cities by assuring that new development within the District is provided with adequate fire protection facilities and services.

Use of Fee Revenues

For the second finding the District must:

Identify the use to which the fee is to be put. If the use is financing public facilities, the facilities shall be identified. That identification may, but need not, be made by reference to a capital improvement plan as specified in Section 65403 or 66002, may be made in applicable general or specific plan requirements, or may be made in other public documents that identify the public facilities for which the fee is charged. (§66001(a)(2))

The fire facilities impact fee will fund expanded facilities to serve new development. All planned facilities will be located within the Rodeo-Hercules Fire Protection District boundaries:

- Land for fire station and other related structures;
- Fire stations including furniture and other equipment;
- Fire apparatus including equipped engines, trucks and other vehicles;
- Medical response, hazardous materials, training, and other specialized fire fighting equipment.
- Potential financing costs associated with the above.

Planned fire facilities are preliminarily identified in this report. Additional planning may be provided in the District's capital improvement plan and annual budgets. This report provides a preliminary description and cost estimate for planned facilities. Other planning documents may provide additional details and proposed timing for construction/acquisition of the facility.

Benefit Relationship

For the third finding the District must:

Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed. (§66001(a)(3))

The District will restrict fee revenues to the acquisition of land, construction of public buildings, and the purchase of related equipment, furnishings, vehicles, and services that will serve new development and the additional residents and workers associated with that new development as part of a district-wide network of fire protection facilities and services. Thus, there is a reasonable relationship between the use of fee revenues and the residential and nonresidential types of new development that will pay the fee.

Burden Relationship

For the fourth finding the District must:

Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed. (§66001(a)(4))

Service population provides an indicator of the demand for the facilities needed to accommodate growth. Service population is calculated based on residents associated with residential development and employment associated with nonresidential development. To calculate a single per capita standard, one worker is weighted less than one resident based on an analysis of the relative demand for fire facilities by land use type.

The need for the fee is based on the facility standards identified in this report and the growth in district-wide service population projected through 2035. Facilities standards represent the level of service that the District plans to provide its residents and businesses in 2035. Standards are based on the District's total existing and planned facilities allocated across the District's total service population in 2035.

See the *Fire Facilities Service Population* section, for a description of how service population and growth projections are calculated. Facility standards are described in the *Fire Facility Standards* section.

Proportionality

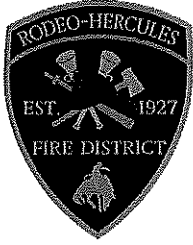
For the fifth finding the District must:

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. (§66001(b))

This reasonable relationship between the fire facility impact fee for a specific development project and the cost of the facilities attributable to that project is based on the estimated size of the service population that the project will accommodate. The total fee for a specific project is based on its size as measured by dwelling units or building square feet. The fee schedule converts the estimated service population that a development project will accommodate into a fee based on the size of the project. Larger projects of a certain land use type will have a higher service population and pay a

higher fee than smaller projects of the same land use type. Thus, the fee schedule ensures a reasonable relationship between the public facility fee for a specific development project and the cost of the facilities attributable to that project.

See the *Fee Schedule* section for a description of how service population is determined for different types of land uses. The *Fee Schedule* section also presents the fire facilities impact fee schedule.



RODEO-HERCULES FIRE PROTECTION DISTRICT

1680 REFUGIO VALLEY ROAD, HERCULES, CALIFORNIA 94547

(510) 799-4561 FAX: (510) 799-0395

TO: CITY COUNCIL, CITY OF HERCULES

FROM: INTERIM FIRE CHIEF, BRYAN CRAIG

RE: FIRE FACILITIES IMPACT FEES

The Rodeo Hercules Fire Protection District has committed itself to providing fire protection, prevention, education, fire suppression, emergency medical services, emergency preparedness, mitigation of hazardous materials incidents, technical rescue, and water rescue to the City of Hercules for over 30 years without any true impact on the City's Public Safety budget. The only exception is in 2005 the District began providing Paramedic service to the city, staffing a Paramedic Based Engine 24 hours a day 7 days a week. This service was started with the help of the city with a \$65,000 one-time donation that was extended for four additional years. With the downturn of the economy, the City ceased that contribution, but the District continues to maintain the same staffing of Paramedics without that additional funding.

As with most local agencies, the District's property tax revenue stream has diminished in terms of real dollars over time since the imposition of Proposition 13 in 1978, Proposition 98 (ERAF) in 1988, and the average annual loss of \$900k of Hercules Redevelopment monies starting in FY 2009/10. Additionally, when the City of Hercules issued tax allocation bonds in 2005 and 2007, in an effort to assist the City during its financial crisis, the Fire District agreed to subordinate Statutory Payments starting in FY 2013/14 to date.

As the City Council is aware, the Fire District currently relies on revenue from the new parcel tax, Measure O, a Benefit Assessment, and ad valorem taxes. These revenue streams support the general fund budget of the Fire District of \$ 7.1 million dollars with a projected ending fund balance in FY 2017-18 of \$200,000. These funds are monitored by an outside independent agency that reports directly to the District Board of Directors. The District continues to manage its resources carefully to properly serve the community at large, as well as the projected influx of new residents and businesses into the city.

Although it is vital for a City to grow, this growth has an impact on services provided to the community it serves. Depending on the type of development, the impact can be significant, particularly when adding additional population without additional property tax revenue. New types of development present new challenges that must be overcome to provide proper emergency response, with the correct type of equipment, in a timely manner. Current Fire District revenues do not account for any increase in population alone due to new development, and population increases in the City of Hercules do not equate to an increase in property tax to the Fire District due to the Redevelopment Agency.

The current apparatus fleet of the District and Fire Station location is inadequate. The District's equipment is outdated, breaking down, and no longer meets National Fire Protection Association NFPA 1911 recommended operational standards. During the economic downturn, maintenance and replacement of fire engines and emergency equipment was deferred, along with facilities maintenance. The current average age of the District's fleet is over 14 years old. The fire service industry standards are to transition first-out fire engines to reserve status at 10 years of service. The overall goal is to replace vehicles at the lowest life cycle cost before the operating cost exceeds vehicle capital. In addition, our current ladder truck has reached the end of its first out-service life, and the ladder is not long enough to provide rescue or fire suppression to the current planned developments.

Due to budget constraints, with only three person engine companies, we are currently running below the National Fire Protection Association staffing recommendation. NFPA 1710 Standard sets forth in concise term the recommended resource requirements for fires, emergencies and other incidents. This is important because it applies the documented and proven science of fire behavior and emergency medicine to the basic resource requirements for effective fire and emergency deployment. This application allows a community to determine if the resources allocated for the different types of fires, emergencies, medical calls and other incidents are sufficient to effectively control the incident and protect lives and property. The current standard is to have four firefighters per Engine Company.

With the shift of the population density and emergency response potential to the waterfront area of the city, the relocation of one of the District's Fire Stations will be necessary. This new Station would have an optimal location on San Pablo Ave and Linus Pauling Drive. The station would house emergency responder's quarters and living facilities, as well as the administrative staff offices and meeting rooms. This station would also be equipped to serve as an alternate emergency operations center or operational area coordination center. Also located on the station grounds would be the District's training grounds and classroom, three bay apparatus housing meeting national fire protection diesel exhaust removal standards, and adequate enough to house the longer ladder truck, an employee health room, furnishings, kitchen, personal protective gear clean room /decontamination room, storage area, shop and tool room, 24 hour emergency power and fuel storage, secure employee parking and visitor parking, landscaping, lighting, fencing, utility connections, data and communication equipment, any and all other products of construction and improvements. The station would be built on the premise of being one of the most environmentally friendly firehouses ever built, and would be a testament to the city's dedication to lessening its carbon footprint.

In order to meet the demands placed on the Fire District by new development, the District has partnered with the city since 1986 with the passage of resolution 86-115, what was then known as Growth Impact Fees, and collected fees on behalf of the Fire District. (*Mitigation Fee Act contained in Government Code Section 66000 et. seq., cities hold the legal authority to impose fees on behalf of the District within their city limits.*) Due to increased demand on services, the Fire District has raised its fees in 2001, 2009 and now in 2018, with the city continuing to collect those fees on the District's behalf. Each time the Fire District has brought these fees to the City Council, they have been approved. These fees are not taxes, do not come from the City budget, or its residents, and are one time fees imposed on the Developers.

The Fire Facilities Impact Fees must be held in a separate account, and are not part of the General Operating Budget for the District. These funds are allocated for new or replacement equipment or facilities needed due to impacts on services caused by new development. These funds are not used to address any unfunded liabilities or personnel costs—their purpose is to offset the real impact new development has on the Fire District. Fire Facilities Impact Fees are described in the Hercules General Plan Article 5 - Sec. 10-18.501, and recognized by the City Council as a needed source of revenue to provide adequate fire-fighting facilities. Without these additional fees charged to developers the District would not have funding for emergency equipment and facilities needed to serve the citizens of Hercules.

It needs to be recognized that Fire Facilities Impact fees are not an attempt to generate revenue anywhere possible—they are one time fees imposed in order to address real issues caused by type of development, and that development increasing the population in the City, thereby increasing the demand on emergency services.

Although we are a Special District, separate from the City, we serve your residents, and you can be proud, as a city, to have some of the best trained firefighters in the industry that go above and beyond to serve the citizens of Hercules. The relationship between the City of Hercules and the Rodeo-Hercules Fire Protection District is one that has been built on mutual respect. The members of RHFD are committed to providing the most efficient service to the Citizens of Hercules today and well into the future. Your vision for the future of Hercules is far reaching and only beginning to be realized. The Men and Women of Rodeo Hercules Fire Protection District share in that vision.

Yours in Service,

A handwritten signature in black ink, appearing to read "Ben G.", with a stylized, cursive script.

From: [Bryan Craig](#)
To: [David Biggs](#)
Subject: RE: Fire Impact Fee Info
Date: Wednesday, April 11, 2018 4:33:41 PM

Please see the responses to your questions below, if you have any additional questions please do not hesitate to ask. Please keep me advised of when the DIF will go before Council so I can have a representative from Willdan Financial attend.

Sincerely,

Bryan Craig

Interim Fire Chief
Rodeo-Hercules Fire Protection District
1680 Refugio Valley Road
Hercules, CA 94547
Wk.510-799-4561
C. 925-766-6335



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From: David Biggs [mailto:DBiggs@ci.hercules.ca.us]
Sent: Thursday, March 15, 2018 6:43 AM
To: Bryan Craig
Cc: Patrick Tang
Subject: Fire Impact Fee Info

Good Morning Bryan –

We will see you at 1:30 PM this afternoon to discuss Fire Impact fees.

I thought I would share some of the questions I have heard from our City Council Members in advance of the our meeting:

- How much has the District collected from the existing fire impact fee, how much has been spent and on what, and what is available now? *Please reference the chart below for Developer impact fee expenditures starting in fiscal years 04/05 through 17/18.*

FISCAL YEAR	BEGINNING FUND BALANCE	REVENUES	EXPENDITURES	ENDING FUND BALANCE	DESCRIPTION OF EXPENDITURES
FY 04/05	\$622,271.37	\$587,074.18	\$283,049.58	\$926,295.97	Establishment of training grounds, training aids, and classrooms located at Station 76
FY 05/06	\$926,295.97	\$245,740.79	\$806,353.93	\$365,682.83	Buildup of Quint 76 Ladder Truck
FY 06/07	\$365,682.83	\$490,665.40	\$813,515.13	\$42,833.10	Completion of and Equipping for Quint 76 Ladder Truck
FY 07/08	\$42,833.10	\$11,942.86	\$6,753.13	\$48,022.83	Personal Protective Equipment
FY 08/09	\$48,022.83	\$115.74	\$4.00	\$48,134.57	
FY 09/10	\$48,134.57	\$897.90	\$45,056.03	\$3,976.44	Start Installation of communication equipment compliant with East Bay Radio Communication System
FY 10/11	\$3,976.44	\$79,189.73	\$11,126.95	\$72,039.22	Start Installation of Mobile Data Terminals in Emergency Apparatus
FY 11/12	\$72,039.22	\$18.76	\$71,710.32	\$347.66	Completion of installation of MDT and EBRCS Radios
FY 12/13	\$347.66	\$15.31	\$4.00	\$358.97	
FY 13/14	\$358.97	\$11.51	\$44.00	\$326.48	
FY 14/15	\$326.48	\$1,031.28	\$0.00	\$1,357.76	
FY 15/16	\$1,357.76	\$60,971.40	\$0.00	\$62,329.16	
FY 16/17	\$62,329.16	\$57,087.91	\$2,579.21	\$116,837.86	Personal Protective Equipment for existing and new personnel
FY 17/18	\$116,837.86	\$48,170.01	\$71,475.15	\$93,532.72	Personal Protective Equipment for existing and new personnel. Buildup of Emergency

					Response Staff Vehicles
* Data source Contra Costa County Auditors.					
* Planned use of fee Revenues: Property, Fire station and other related structures, Fire stations facilities including furniture and other equipment, Fire apparatus including equipment, engines, trucks and other vehicles, Medical response, hazardous materials, training and other specialized firefighting equipment, financing costs associated with above.					

- Are the fire impact fees in a segregated fund? *Yes, they are held in a separate account, county code 3022.*
- Why does the report state that the District owns the Hercules station and land when it is City owned and what impact is there in the analysis as a result of that material misstatement? *This was an error by the engineer, in following up with Willdan Financial Services that felt it would have no direct impact on the findings.*
- Why didn't Willdan utilize independent cost estimates for facilities and equipment instead of just citing the District as the source of the estimates used?
I will forward this question to Willdan, although the report shows on page 7 that, "the cost to construct a new station is based on recent cost estimates for Station 70 in San Pablo".
- Is the intent to build a third station, or is it to consolidate the two stations into a new single station? *In order to maintain response times, and address the greatest threats, personnel from the Rodeo Station would staff the new station located on San Pablo Ave. The Rodeo Station would be used as a reserve station facility, and an emergency staffing facility in accordance with the new office of emergency service preparatory staffing plan.*
- If the District does close the Rodeo station, shouldn't the proceeds from the sale of that property be applied as a reduction of the cost of a new station? *The District currently has no plans of selling Rodeo.*
- How does the District propose to fund the non-impact fee share of the needed facilities and equipment? *In regards to the facility itself it could be financed, additional funding will be sought from public / private donations, and the Districts Capital Fund account.*
- What info is there to justify a third station? *There is no planned permanently staffed third station.*
- How will the District pay operating and staffing costs associated with a third station if built? *Operating and Staffing cost associated with Station 75 in Rodeo would be transferred to the new station.*
- What is the District doing to correct the problem with the parcel tax being levied only on parcels and not units as would customary? *The District passed a parcel tax and it is only levied per parcel. The District currently has a Benefit assessment that is based on "Risk Units". I have not received any direction from the District Board of Directors to correct a perceived problem with our parcel tax. We should also not confuse one time fees paid by a developer, and ongoing taxes paid by residents.*
- Did the District meet all of the statutory requirements associated with adopting the fire fees including having a copy of the fee report available for public inspection at least 10 days prior

to the hearing? *All statutory requirements were met, and confirmed, between the Fire District and the City's attorney.*

David Biggs
City Manager
City of Hercules
111 Civic Drive
Hercules, CA 94547
(510) 799-8216
dbiggs@ci.hercules.ca.us

RESOLUTION NO. 18-_____

ADOPTING THE 2017 FIRE FACILITIES IMPACT FEE STUDY AS APPROVED BY THE BOARD THE RODEO-HERCULES FIRE PROTECTION DISTRICT BY RESOLUTION 2018-01, ESTABLISHING NEW LEVELS OF FIRE FACILITIES DEVELOPMENT IMPACT FEES, UPDATING THE FIRE FACILITIES IMPACT FEES ON THE MASTER FEE SCHEDULE, AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH.

WHEREAS, the City of Hercules is a city organized and existing under and by virtue of the general law of the State of California and is a "local agency" as defined in the Mitigation Fee Act (California Government Code Section 66000 et seq); and

WHEREAS, the Rodeo-Hercules Fire Protection District has undertaken and caused to be prepared a study entitled *Fire Facilities Impact Fee Study* dated October 4, 2017 (the "2017 RHFPD DIF Study") and adopted by the Rodeo-Hercules Fire Protection District on January 11, 2018 which identifies fire protection facilities in Hercules that will be impacted or necessitated by future development; and

WHEREAS, the Rodeo-Hercules Fire Protection District has requested that the City of Hercules implement the updated Fire Facilities Impact Fee adopted by the District;

WHEREAS, the City of Hercules has determined that it needs to increase the level of the Fire Facilities Impact fee from its 2001 level to a current level to offset the effect of inflation and address other factors; and

WHEREAS, the 2017 RHFPD DIF Study explains the nexus between the imposition of the fees and the estimated reasonable cost of providing the service for which the fees are charged; and

WHEREAS, the updated Fire Facilities Impact Fees need to be added the City's Master Fee Schedule.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HERCULES AS FOLLOWS:

SECTION 1. Adoption of Studies

- a) The 2017 RHFPD DIF Study is hereby approved, adopted and by this reference incorporated herein.

SECTION 2. Findings Pursuant To The Mitigation Fee Act (California Government Code section 66000 et seq.)

The City Council finds and determines that the Fire Facilities Impact fee established, increased or imposed by this Resolution is supported by the 2017 RHFPD DIF Study in that it:

CITY OF HERCULES MASTER FEE SCHEDULE

05/22/2018 Excerpt

FUND NUMBER	DEPT. NUMBER	ACCOUNT NUMBER	FEE	LEGAL AUTHORITY	CURRENT FEE
COMMUNITY DEVELOPMENT DEPARTMENT					
			Development Impact Fees		
			Single Family (Per dwelling unit)		
247	5238	362.50-00	Park and Recreation Facilities	Reso 11-132	1,475.00
			Public Benefit for the Bayfront Project only	Resos 11-132 & 17-002	4,000.00
241	5238	362.50-00	General Public Facilities	Reso 11-132	717.00
244	5238	362.50-00	Police Facilities	Reso 10-088	1,269.00
246	5238	362.50-00	Fire Facilities	Reso 10-088	1,029.00
261	5238	362.50-00	Traffic Facilities	Reso 11-132	982.00
420	0000	368.10-00	Sewer Facilities	Reso 10-088	4,048.00
242	5238	362.45-00	Community Development Tax	Reso 11-132	1,500.00
264	5238	362.55-00	West County Sub-regional Transportation Mitigation Fee ¹	Reso 10-088	2,904.00
			Multi Family (Per dwelling unit)		
247	5238	362.50-00	Park and Recreation Facilities	Reso 11-132	895.00
			Public Benefit for the Bayfront Project only	Resos 11-132 & 17-002	2,350.00
241	5238	362.50-00	General Public Facilities	Reso 11-132	448.00
244	5238	362.50-00	Police Facilities	Reso 10-088	792.00
246	5238	362.50-00	Fire Facilities	Reso 10-088	662.00
261	5238	362.50-00	Traffic Facilities	Reso 11-132	603.00
420	0000	368.10-00	Sewer Facilities	Reso 10-088	4,048.00
242	5238	362.45-00	Community Development Tax	Reso 11-132	1,500.00
264	5238	362.55-00	West County Sub-regional Transportation Mitigation Fee ¹	Reso 10-088	1,844.00
			Retail - Flex (Per building square foot)	Reso 17-002	
			Public Benefit for the Bayfront Project only	Resos 11-132 & 17-002	0.200
247	5238	362.50-00	Park and Recreation Facilities	Reso 09-114	N/A
241	5238	362.50-00	General Public Facilities	Reso 10-088	0.575
244	5238	362.50-00	Police Facilities	Reso 10-088	0.255
246	5238	362.50-00	Fire Facilities	Reso 10-088	0.536
261	5238	362.50-00	Traffic Facilities	Reso 11-132	2.01
420	0000	368.10-00	Sewer Facilities	Reso 10-088	0.539
264	5238	362.55-00	West County Sub-regional Transportation Mitigation Fee ¹	Reso 10-088	2.036
			Office (Per building square foot)		
247	5238	362.50-00	Park and Recreation Facilities	Reso 09-114	N/A
			Public Benefit for the Bayfront Project only	Resos 11-132 & 17-002	0.20
241	5238	362.50-00	General Public Facilities	Reso 11-132	0.240
244	5238	362.50-00	Police Facilities	Reso 10-088	0.425
246	5238	362.50-00	Fire Facilities	Reso 10-088	0.721
261	5238	362.50-00	Traffic Facilities	Reso 11-132	1.450
420	0000	368.10-00	Sewer Facilities	Reso 10-088	1.079
264	5238	362.55-00	West County Sub-regional Transportation Mitigation Fee ¹	Reso 10-088	3.927
			Industrial (Per building square foot)		
247	5238	362.50-00	Park and Recreation Facilities	Reso 09-114	N/A
241	5238	362.50-00	General Public Facilities	Reso 10-088	0.411
244	5238	362.50-00	Police Facilities	Reso 10-088	0.183
246	5238	362.50-00	Fire Facilities	Reso 10-088	0.306
261	5238	362.50-00	Traffic Facilities (Reduced rate)	Reso 10-088	4.766
420	0000	368.10-00	Sewer Facilities	Resos 11-132 & 17-002	1.08
264	5238	362.55-00	West County Sub-regional Transportation Mitigation Fee ¹	Reso 10-088	2.741
			Hotel (Per room)		
247	5238	362.50-00	Park and Recreation Facilities	Reso 09-114	N/A
			Public Benefit for the Bayfront Project only	Resos 11-132 & 17-002	20.00
241	5238	362.50-00	General Public Facilities	Reso 11-132	23.50
244	5238	362.50-00	Police Facilities	Reso 09-114	26.00
246	5238	362.50-00	Fire Facilities	Reso 10-088	94.00
261	5238	362.50-00	Traffic Facilities	Reso 11-132	176.00
264	5238	362.55-00	West County Sub-regional Transportation Mitigation Fee ¹	Reso 10-088	2,197.00

- a) Identifies the purpose of each fee evaluated therein;
- b) Identifies the use to which each fee will be put;
- c) Determines how there is a reasonable relationship between the use of each fee and the type of development project on which the fee is imposed;
- d) Demonstrates a reasonable relationship between the need for the public facilities and the type of development projects on which each fee is imposed; and
- e) Demonstrates a reasonable relationship between the amount of the fee and the cost of the public facilities or portion of the public facilities attributable to the development on which each fee is imposed.

SECTION 3. Approval of Items in Studies

The Board of the Rodeo-Hercules Fire Protection District has considered and approved the specific project descriptions and cost estimates provided in the 2017 RHFPD DIF Study, and the City Council accepts such project descriptions, cost estimates and inflation adjustments and finds them reasonable as the basis for calculating and imposing certain development impact fees.

SECTION 4. Consistency with General Plan

The City Council finds that the projects and fee methodology identified in the 2018 RHFPD DIF Study, are consistent with the City's Five-Year Capital Improvement Plan and City's General Plan.

SECTION 5. Differentiation Among Fees

The City Council finds that the development impact fees recommended in the 2017 RHFPD DIF Study, are separate and different from other fees the City may impose as a condition of final map approval, building permit issuance or tentative or parcel map approval pursuant to its authority under the Subdivision Map Act, the Quimby Act, and the City's implementing ordinances, as may be amended from time to time, for, among other projects, the construction of storm drainage, major thoroughfares and bridges and the acquisition of parkland.

SECTION 6. Findings Under The California Environmental Quality Act

The City Council hereby finds and determines, based upon substantial evidence in the record before it, as follows:

- a) The adoption of the 2018 RHFPD DIF Study, and the approval of the development impact fees adopted by this resolution do not constitute a "project" as that term is defined by or used in the California Environmental Quality Act (California Public Resources Code Section 21000 et seq, hereinafter "CEQA"), the California Code of Regulations Title 14, Division 6, Chapter 3 "Guidelines for Implementation of the California Environmental Quality Act" (the "CEQA Guidelines"), or any court or attorney general opinion construing the same. Accordingly, the City Council finds that the provisions of CEQA and the CEQA Guidelines are not applicable thereto.
- b) In the event that it is found that said action constitutes a "Project" as defined by or used in CEQA or the CEQA Guidelines, which finding would be contrary to the City's opinion of its

action, the City Council hereby finds that said action is exempt from CEQA and the CEQA Guidelines, for the following reasons:

(1) The action is covered by Public Resources Code Section 21080(b)(8) and Section 15273 of the CEQA Guidelines which provide that CEQA does not apply to the establishment, modification, structuring, restructuring or approval of rates, tolls, fares or other charges by public agencies which the public agency finds are for the purpose of (1) meeting operating expenses, including employee wage rates and fringe benefits, (2) purchasing or leasing supplies, equipment, or materials, (3) meeting financial reserve needs and requirements, or (4) obtaining funds for capital projects necessary to maintain service within existing service areas. The City Council finds that its action falls within one or more of said exemptions.

(2) The action is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the action may have a significant effect on the environment, the action is not subject to CEQA or the CEQA Guidelines. See CEQA Guidelines Section 15061(b)(3). It can be seen with certainty that the City's action cannot possibly have a significant effect on the environment.

c) The City Manager or his designee is hereby authorized and instructed to file a Notice of Exemption from the provisions of CEQA.

SECTION 7. Prior Resolutions and Ordinances Superseded.

The Fire Facilities Impact Fee approved and adopted by this resolution shall supersede comparable fees adopted in prior resolutions that establish development impact fees.

SECTION 8. Master Fee Schedule.

Whereas it is appropriate to add updated fees and fines to the Master Fee Schedule, delete old fees and fines, and to make adjustments to existing fees and fines in order for the Schedule to current and reflective of current fees and charges. The City Council hereby authorizes amendments to the existing Master Fee Schedule, approving additions, deletions and adjustments to Fire Facilities Impact Fees in the highlighted sections of the attached Master User Fee Schedule to become effective upon adoption of this resolution.

SECTION 9. Severability.

If any section, subsection, sentence, clause or phrase of this resolution or the imposition of a development impact fee for any public facility described in the 2017 RHFPD DIF Study, or the application thereof to any person or circumstance is held invalid, unenforceable or unconstitutional by the final judgment of a court of competent jurisdiction, such judgment shall not affect the validity of the remaining portions of this resolution or other fees levied by this resolution.

SECTION 15. Incorporation of Recitals

The recitals in this resolution are true and correct statements of fact and are incorporated into this resolution by this reference.

The foregoing Resolution was duly and regularly adopted at a regular meeting of the City Council of the City of Hercules held on the 22nd day of May, 2018 by the following vote of the Council:

AYES:

NOES:

ABSENT:

Chris Kelley, Mayor

ATTEST:

Lori Martin, City Clerk