



January 24, 2023

Honorable Mayor and Council Members

Lucas Kannall, Assistant Planner

Title: Truckee Fire Protection District Fire Fee Update

Approved By: Jen Callaway, Town Manager

Recommended Action: That the Town Council conduct a public hearing and adopt Resolution 2023-04 (Attachment #1) approving an annual inflationary increase to the Truckee Fire Protection District's (TFPD) fire protection facilities mitigation fee and capital improvement plan.

Discussion: The TFPD Board of Directors is requesting that the Town Council approve an annual inflationary increase to the fire impact fee that is charged to new building permits within the Town in order to fund the one-time cost of improving and expanding the District's facilities, apparatus and equipment needed to maintain its existing level of service and expanding the District's fire system capacity and associated administrative costs.

Town Authority: California Government Code Sections 66000 et. seq., the Mitigation Fee Act, provides statutory authority for local agencies to adopt mitigation fees. The Town has used this authority in the past to adopt mitigation fees on behalf of special districts, since those districts do not have the authority to adopt mitigation fees themselves. The Town has previously adopted mitigation fees on behalf of the Truckee Donner Recreation and Park District and TFPD and transfers these fees back to the districts.

Background: The collection of a fire impact fee has been imposed on new building permits since 1995. The purpose of the fire impact fee is to help fund fire protection facilities necessary to serve future growth and development within the district. The initial fee request by TFPD was made at a May 18th, 1995 Council meeting, and subsequently Council adopted Resolution 95-37 in October 1995, which provides authority for the Town to impose development impact fees on behalf of the Town as well as special districts.

Although Council agreed to the imposition of the fee at the May 18th, 1995 meeting, the subsequent resolution only explains the authority of the Town to impose a fee in general, and does not specifically lay out the administration or implementation of the fire impact fee program. As part of a fee increase request made by TFPD in June 2007, Council passed Resolution 2007-28 which increased and redefined the assessment and collection of the fire protection facilities mitigation fee, as well as established rules for the fees' administration. The 2007 fee increase was the first increase since the 1995 adoption.

The fee was adjusted for inflation in 2008 pursuant to Resolution 2008-75. Additional inflationary adjustments were not made until 2011, in which the mitigation fee was reduced. Since 2012 the fee has been adjusted for inflation each year.

Truckee Fire Protection District Request: TFPD has requested that the Town Council increase the fire protection facilities mitigation fee to adjust for annual inflation. The annual inflationary increase to be

applied is 5.7%, as stated in the 2022-2023 Truckee Fire Protection District Capital Improvement Plan Mitigation Fee Annual Expenditure Plan (found as Attachment #3 of this staff report, and on file with the Town Clerk). The study states that the fee is to be adjusted annually corresponding with changes in the costs of TFPD facilities, apparatus, and equipment. The study identifies that changes in those costs are approximated using the 20-Cities Construction Cost Index published by the Engineering News-Record, which for September 2021 to September 2022 was an increase of +5.70%. The change in fees can be attributed to the inflationary increase except for Multi-Family fees, which have been eliminated as a separate residential building type and are now charged under the single-family rate. This is due to a need for more affordable housing and the density that is afforded by Multi-Family housing, which imposes less of an impact on the fire district. The proposed updated fees are shown in the table below:

<u>Building Permit Type</u>	<u>Existing</u>	<u>Proposed Fee, effective March 27, 2023</u>
Residential		
Single Family	\$1.20 per square foot	\$1.27 per square foot
Multi Family	\$1.20 per square foot	Charged as Single Family
Non-residential		
Industrial	\$0.91 per square foot	\$0.96 per square foot
Retail / Commercial	\$1.27 per square foot	\$1.34 per square foot
Office	\$1.82 per square foot	\$1.92 per square foot

The fee increase request was approved by the TFPD Board of Directors at its December 20, 2022 public hearing. A copy of TFPD's adopted Resolution 26-2022 which formally requests Town Council to adopt and implement the approved fire mitigation fees program is included as Attachment #2. TFPD has also provided a 2022/2023 capital improvement plan and mitigation fee annual expenditure plan, which is included as Attachment #3.

Fire Protection Facilities Mitigation Fee: The fee is allowed under Government Code Sections 66000 et. seq., the Mitigation Fee Act, also known as AB 1600, and requires that the request for imposition of the fee demonstrate a reasonable relationship between new development, the amount of the fee, and fire facilities, apparatus and equipment funded by the fee. This fee is applied to building permits for new development on a per-square-foot basis, for the purpose of funding the expansion of TFPD's facilities, apparatus and equipment to meet the additional demand generated by the new residents and employees and new structural area created by the new development projects. As in previous years, and matching with other local districts' impact fees in Truckee, the TFPD will allow an exemption on impact fees for permits less than 500 square feet, in addition to the 750 square feet Accessory Dwelling Unit exemption, which is now required by state law.

Priority:

<input type="checkbox"/> Enhanced Communication	<input type="checkbox"/> Climate and Greenhouse Gas Reduction	<input type="checkbox"/> Housing
<input type="checkbox"/> Infrastructure Investment	<input type="checkbox"/> Emergency and Wildfire Preparedness	<input type="checkbox"/> Core Service

Fiscal Impact: There is no direct cost expected at this time other than staff time of approximately 8 hours to process the District's request.

Public Communication: The Truckee Fire Protection District Board of Directors held a noticed public hearing on the matter at their December 20, 2022 meeting. Notice of the Town's public hearing was also provided in accordance with Government Code Section 66000 et. seq. and published in the January 13th edition of the Sierra Sun. Notification was also published as part of the regular Town Council agenda packet.

Attachments:

1. Proposed Town Council Resolution 2023-04
2. TFPD Board Resolution 26-2022
3. TFPD Capital Improvement Plan, Mitigation Fee Annual Expenditure Plan for Fiscal Year 2022/2023
4. 2021 Fire Impact Fee Nexus Study