

Tumwater Olympia RFA Planning Committee

Fire Benefit Charge Factor Options

September 26, 2022

Tonight's discussion

1. Review new formula option “3 A” as requested by Committee

- 6% shift away from residential sector to commercial sector,
- 3 classifications of residential, weight increasing with house size,
- Zero factor for mobile homes,
- Incorporating new lower FBC target as a result of higher assessed values.

2. We have not re-run all the other formulas.

- There is not an apples-to-apples comparison.
- The new FBC target (\$10.5M) is about 28% lower than the prior target (\$13.5M).

FBC Formula

Fire Benefit Charge = **Fire Flow** x **Cost Per Gallon Factor** x **Bldg. Weight Factor** x Hazard Reduction Factors x Hazard Increase Factors x Exemption/Discount Factors

- **Fire Flow** = Square Root (Total Square Feet) x 18
- **Cost Per Gallon Factor** = Total FBC ÷ Fire Flow x .01
- **Building Weight Factor** = weight for building type/size

Hazard Reduction Factors	Hazard Increase Factors	Exemption/Discount Factors
<ul style="list-style-type: none">• Sprinklers• Smoke Detectors• Automatic Alarms	<ul style="list-style-type: none">• Flammable Materials• Multiple Stories• Response Density	<ul style="list-style-type: none">• Religious facilities• Low income housing• Low-income seniors and disabled

The formula we are using does not have any **hazard increase factors**. All **exemptions/discounts** allowed by state law will apply.

Formula options

Option 1	FBC is distributed proportionately to the square footage of each building class, <i>e.g.</i> , 66% of total square footage is single-family residential so single-family residential pays about that same % of FBC. Includes sprinkler data for apartments and commercial. (This option has been shared previously).
Option 1-A	Option 1 with <i>residential sprinkler data added</i> . Revenue lost to the sprinkler discounts shifted to residential properties resulting in a slight increase in the Residential Building Class Weight, increasing to .582 from the original .58.
Option 2	Residential Sector share reduced by 6%; Commercial share increased by 6%.
Option 3	Divide residential into 3 classes, weights increasing with square footage. Breakpoints at 2000 and 3000 sq.ft. Residential and Commercial shares same as Option 2 (+/- 6% over Option 1-A)
Option 3A	Same as option 3, but use lower target FBC collection amount , eliminate fee for mobile homes
Option 4	Major reduction for Small Residential (1500 sq. ft. max) and Small Commercial (1000 sq. ft. max). Total Residential share lowered by 8% and Commercial share increased by 8% as compared to Option 1-A

Options Summary: Classifications, weights

	Option 1 (Original)	Option 1-A	Option 2	Option 3	Option 3 A	Option 4
	Bldg Weights approx. proportional to Square footage.	Add Sprinkler Data; Minor increase in Residential Weights	Larger decrease in Residential Bldg Weights; Larger increase in Commercial Weights	Differentiate Residential Weights, retain 6% shift from residential to Commercial	Same as Option 3, lower FBC target, zero charge for mobile homes	Major reduction in Small Residential and Small Commercial Weights
MH	0.450	0.450	0.450	0.450	0.0	0.450
Res 1	0.580	0.582	0.5466	0.510	0.38	0.300
Res 2	0.580	0.582	0.5466	0.550	0.43	0.500
Res 3	0.580	0.582	0.5466	0.590	0.48	0.650
APT	1.450	1.450	1.450	1.450	1.0	1.450
Com 1	1.000	1.000	1.000	1.000	0.7	0.500
Com 2	1.500	1.500	1.700	1.700	1.2	1.200
Com 3	2.000	2.000	2.500	2.500	2	2.500
Com 4	3.000	3.000	3.500	3.500	3	3.500
Com 5	4.000	4.000	4.500	4.500	4	4.500
Com 6	5.000	5.000	5.500	5.500	5	5.500

Fire Benefit Charge Factors and Totals for 2022

Fire District	OT	Factor	Max Sq Ft	Factor	Max Sq Ft	Commercial Subtotals					
Residential 1		0.38	2,000	Commercial - 1	0.7	1,300	Commercial 1	\$645,337.12	3,197,380		
Residential 2		0.43	3,000	Commercial - 2	1.2	611	Commercial 2	\$999,376.06	5,691,774		
Residential 3		0.48	No Max	Commercial - 3	2	145	Commercial 3	\$705,502.73	4,607,705		
Apartments		1		Commercial - 4	3	53	Commercial 4	\$557,287.28	3,595,337		
Mobile Homes		0		Commercial - 5	4	29	Commercial 5	\$565,352.85	3,743,373		
Balancing Factor		0.01		Commercial - 6	5	4	Commercial 6	\$138,793.85	998,374		
Cost Per Gallon		83.38			No Max						
Sprinkler		0.9									
Olympia Tumwater Both											
Both											
# Parcels		FBC \$		Square Feet		# Parcels		FBC \$		Square Feet	
20,246	Residential	\$6,390,398.93		51,887,243							
2,142	Commercial	\$3,611,649.88		21,833,943							
454	Mobile Home	\$0.00		527,061							
354	Multi Unit	\$500,204.20		4,318,633							
23,196	Total District	\$10,502,253.00		78,566,880							

Residential Subtotals			
5,708	Residential 1	\$1,233,095.84	9,034,043
9,292	Residential 2	\$2,885,929.95	22,932,423
5,246	Residential 3	\$2,271,373.14	19,920,777

Option 3A
6% shift from
residential to
commercial, zero
fee for mobile
homes,
lower FBC target

Option 1A
(original +
sprinklers)

Fire District	OT	Factor	Max Sq Ft	Factor	Max Sq Ft	Commercial Subtotals					
Residential 1		0.582	1,500	Commercial - 1	1	5,000	1,300	Commercial 1	\$921,910.16	3,197,380	
Residential 2		0.582	3,000	Commercial - 2	1.5	20,000	611	Commercial 2	\$1,249,220.08	5,691,774	
Residential 3		0.582	No Max	Commercial - 3	2	50,000	145	Commercial 3	\$705,502.73	4,607,705	
Apartments		1.45		Commercial - 4	3	100,000	53	Commercial 4	\$557,287.28	3,595,337	
Mobile Homes		0.45		Commercial - 5	4	200,000	29	Commercial 5	\$565,352.85	3,743,373	
Balancing Factor		0.01		Commercial - 6	5	No Max	4	Commercial 6	\$138,793.85	998,374	
Cost Per Gallon		83.38									
Sprinkler		0.9									
Olympia Tumwater Both											
Both											
# Parcels		FBC \$		Square Feet		# Parcels		FBC \$		Square Feet	
20,246	Residential	\$8,548,696.19		51,887,243				Residential Subtotals			
2,142	Commercial	\$4,138,066.94		21,833,943		2,020		Residential 1	\$579,509.00	2,453,571	
454	Mobile Home	\$87,842.02		527,061		12,980		Residential 2	\$5,215,147.26	29,512,895	
354	Multi Unit	\$725,296.09		4,318,633		5,246		Residential 3	\$2,754,039.93	19,920,777	
23,196	Total District	\$13,499,901.24		78,566,880							

FBC Estimate Examples - caveats

The FBC estimates presented below are based on the current draft RFA budget and 2022 data.

- The RFA budget will change.
- The Assessed Value data will change (this impacts the share of the budget that will be funded from property tax versus FBC).
- New construction will add to the inventory of properties subject to the FBC – which will also change the FBC for all properties.
 - For example, several large commercial buildings are under construction in Tumwater.
- Option 3A is based on projected 2023 AV data enabling a lower FBC target.

How do the options impact estimated FBCs for various properties? Using examples from July...

Sample Residential				Option 1	Option 1-A	Option 2	Option 3	Option 3A	Option 4
Sample Residential	Bldg Value	Land Value	Structure Sq Ft	FBC-Original Presentation	FBC w/ Residential Sprinklers data added and Increase Res. Weight	Minus 6% to Residential; Plus 6% to Commercial	Residential weights grow with Sq. Ft. Same overall classification weight as Option 2	Same as Option 3, lower FBC target, zero charge for mobile homes	Small residential and commercial weights reduced; Minus 8% share for Residential overall; Plus 8% for Commercial
R3	158,500	97,000	1500	\$ 337	\$ 338	\$ 318	\$ 311	\$ 228	\$ 174
R4	268,400	106,400	2000	\$ 389	\$ 391	\$ 367	\$ 359	\$ 255	\$ 356
R6	300,600	100,200	2500	\$ 435	\$ 437	\$ 410	\$ 409	\$ 322	\$ 375
R8	438,600	111,800	3255	\$ 497	\$ 499	\$ 468	\$ 476	\$ 411	\$ 557
R10	854,900	200,000	4466	\$ 582	\$ 584	\$ 548	\$ 557	\$ 481	\$ 652
R11	572,800	113,800	6220	\$ 687	\$ 689	\$ 649	\$ 658	\$ 568	\$ 764

Apartments (5 Units +)

Sample Apartments				Option 1	Option 1-A	Option 2	Option 3	Option 3A	Option 4
Sample Residential	Bldg Value	Land Value	Structure Sq Ft	FBC-Original Presentation	FBC w/ Residential Sprinklers data added and Increase Res. Weight	Minus 6% to Residential; Plus 6% to Commercial	Residential weights grow with Sq. Ft. Same overall classification weight as Option 2	Same as Option 3, lower FBC target, zero charge for mobile homes	Small residential and commercial weights reduced; Minus 8% share for Residential overall; Plus 8% for Commercial
A2	7,493,500	3,936,300	1,484	\$ 838	\$ 838	\$ 838	\$ 838	\$ 578	\$ 838
A3	9,070,300	791,900	2,724	\$ 1,022	\$ 1,022	\$ 1,022	\$ 1,022	\$ 705	\$ 1,022
A4	4,063,200	966,000	5,100	\$ 1,554	\$ 1,554	\$ 1,554	\$ 1,554	\$ 1,071	\$ 1,554
A5	11,308,000	834,800	10,250	\$ 1,983	\$ 1,983	\$ 1,983	\$ 1,983	\$ 1,367	\$ 1,983
A6	221,800	53,300	21,120	\$ 3,163	\$ 3,163	\$ 3,163	\$ 3,163	\$ 2,181	\$ 3,163
A7	14,581,100	1,054,400	103,401	\$ 6,298	\$ 6,298	\$ 6,298	\$ 6,298	\$ 4,343	\$ 6,298

Mobile Homes (same for all scenarios except 3A)

Sample Mobile Homes				Option 1	Option 1-A	Option 2	Option 3	Option 3A	Option 4
Sample Mobile Homes	Bldg Value	Land Value	Structure Sq Ft	FBC-Original Presentation	FBC w/ Residential Sprinklers data added and Increase Res. Weight	Minus 6% to Residential; Plus 6% to Commercial	Residential weights grow with Sq. Ft. Same overall classification weight as Option 2	Same as Option 3, lower FBC target, zero charge for mobile homes	Small residential and commercial weights reduced; Minus 8% share for Residential overall; Plus 8% for Commercial
M1	96,600	-	576	\$41	\$41	\$41	\$41	\$0	\$41
M2	66,500	147,900	600	83	83	83	83	\$0	83
M3	14,100	108,700	432	140	141	140	140	\$0	140
M4	1,300	-	440	142	142	142	142	\$0	142
M5	3,300	159,800	952	208	208	208	208	\$0	208
M6	237,900	193,500	1572	268	268	268	268	\$0	268

Small Commercial

				Option 1	Option 1-A	Option 2	Option 3	Option 3A	Option 4
Example	Bldg Value	Land Value	Structure Sq Ft	FBC-Original Presentation	FBC w/ Residential Sprinklers data added and Increase Res. Weight	Minus 6% to Residential; Plus 6% to Commercial	Residential weights grow with Sq. Ft. Same overall classification weight as Option 2	Same as Option 3, lower FBC target, zero charge for mobile homes	Small residential and commercial weights reduced; Minus 8% share for Residential overall; Plus 8% for Commercial
Sample Commercial 1- (400-5,000SqFt)									
C1.1	267,700	229,900	450	\$ 318	\$ 318	\$ 318	\$ 318	\$ 222	\$ 159
C1.2	191,000	182,600	1500	\$ 581	\$ 581	\$ 581	\$ 581	\$ 406	\$ 698
C1.3	188,600	135,600	2140	\$ 694	\$ 694	\$ 694	\$ 694	\$ 486	\$ 833
C1.4	108,500	161,000	3000	\$ 822	\$ 822	\$ 822	\$ 822	\$ 575	\$ 986
Sample Commercial 2 (5,001-20,000SqFt)									
C2.1	474,700	288,400	5000	\$ 1,061	\$ 1,061	\$ 1,061	\$ 1,061	\$ 742	\$ 1,279
C2.2	374,200	258,900	9000	\$ 1,993	\$ 1,993	\$ 2,259	\$ 2,258	\$ 1,514	\$ 1,599
C2.3	1,122,600	473,500	15000	\$ 2,481	\$ 2,481	\$ 2,812	\$ 2,813	\$ 1,985	\$ 4,136
C2.4	1,208,800	2,037,700	19540	\$ 2,832	\$ 2,832	\$ 3,210	\$ 3,210	\$ 2,265	\$ 4,720

Medium Commercial

				Option 1	Option 1-A	Option 2	Option 3	Option 3A	Option 4
Example	Bldg Value	Land Value	Structure Sq Ft	FBC-Original Presentation	FBC w/ Residential Sprinklers data added and Increase Res. Weight	Minus 6% to Residential; Plus 6% to Commercial	Residential weights grow with Sq. Ft. Same overall classification weight as Option 2	Same as Option 3, lower FBC target, zero charge for mobile homes	Small residential and commercial weights reduced; Minus 8% share for Residential overall; Plus 8% for Commercial
Sample Commercial 3 (20,001-50,000SqFt)									
C3.1	1,237,800	667,200	20035	\$ 3,824	\$ 3,824	\$ 4,780	\$ 4,780	\$ 3,823	\$ 4,780
C3.2	1,441,700	636,100	36000	\$ 5,126	\$ 5,126	\$ 6,407	\$ 6,407	\$ 5,215	\$ 6,407
C3.3	5,892,700	593,500	44200	\$ 5,680	\$ 5,680	\$ 7,100	\$ 7,100	\$ 5,670	\$ 7,100
C3.4	6,476,600	595,000	49056	\$ 5,983	\$ 5,983	\$ 7,479	\$ 7,479	\$ 5,983	\$ 7,479
Sample Commercial 4 (50,001-100,000SqFt)									
C4.1	4,756,600	312,300	50333	9,091	9,091	10,606	10,606	\$ 9,091	10,606
C4.2	8,096,200	681,500	65834	10,397	10,397	12,130	12,130	\$ 10,347	12,130
C4.3	14,690,700	1,064,700	77369	11,271	11,271	13,150	13,150	\$ 11,271	13,150
C4.4	5,367,800	1,010,500	90804	12,211	12,211	14,246	14,246	\$ 12,210	14,246

Large Commercial

				Option 1	Option 1-A	Option 2	Option 3	Option 3A	Option 4
Example	Bldg Value	Land Value	Structure SqFt	FBC-Original Presentation	FBC w/Sprinklers and Increase Res. Weight	Decrease the Residential Weight and Increase Commerical Weights	Create 3 Residential Weights . Retain the new Comm Weights	Same as Option 3, lower FBC target, zero charge for mobile homes	Reduce small Residential parcel weights. Reduce small commercial parcel weights.
Sample Commercial 5 (100,001-200,000SqFt)									
C5.1	4,985,100	647,000	100778	\$ 17,152	\$ 17,152	\$ 19,296	\$ 19,296	\$ 17,152	\$ 19,296
C5.2	13,337,900	490,100	121671	\$ 18,846	\$ 18,846	\$ 21,203	\$ 21,203	\$ 18,846	\$ 21,203
C5.3	7,511,400	965,900	130094	\$ 19,488	\$ 19,488	\$ 21,924	\$ 21,924	\$ 149,487	\$ 21,924
C5.4	36,648,400	6,882,400	147156	\$ 20,726	\$ 20,726	\$ 23,317	\$ 23,317	\$ 20,726	\$ 23,317
Sample Commercial 6 (200,001+SqFt)									
C6.1	33,738,200	1,414,300	214476	\$ 31,278	\$ 31,278	\$ 34,406	\$ 34,405	\$ 31,277	\$ 34,405
C6.2	3,919,800	1,701,000	247656	\$ 33,610	\$ 33,610	\$ 36,971	\$ 36,971	\$ 33,610	\$ 36,971

Discussion

- Questions?
- Does the Committee have enough information to make a recommendation on an FBC proposal?
 - If not, what additional information can the team provide?
 - If so, what is the Committee recommendation?