



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Carpinteria-Summerland
FPD (Independent
Special District)
Department No.: 890
For Agenda Of: November 1, 2011
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Michael D. Minge, Fire Chief
Director(s) Carpinteria-Summerland Fire Protection District

SUBJECT: **Mitigation Fee Act Annual Report**

County Counsel Concurrence

As to form:

Other Concurrence: N/A

As to form:

Recommended Actions:

a) Receive the 2010-2011 annual report for the Carpinteria-Summerland Fire Protection District Development Impact Fire Mitigation fees and accept the annual adjustments

Background:

AB 1600, passed into law in 1989, allows for government agencies to impose Development Impact Fees (DIF). The law was codified in Government Code section 66000 et seq., also referred to as the Mitigation Fee Act. In 2003, the City of Carpinteria and the County of Santa Barbara adopted ordinances imposing Fire Protection Mitigation Fees on any new development within the Carpinteria – Summerland Fire Protection District. The mitigation fees are imposed by the City and County for the benefit of the District. *(It is important to note that these impact fees are levied by one of the two land use agencies within the Fire District; the City of Carpinteria and the County of Santa Barbara)* The City ordinance is codified in Chapter 8.26 of the Carpinteria Municipal Code. The County ordinance is codified in Chapter 15, Article IIIA, of the County Code.

AB 1600 requires that projects to be financed with DIF be identified in a Master Facilities Plan. Periodic review and adjustment to the DIF is appropriate and warranted in order to insure that the District collects sufficient funds to construct and purchase additional facilities and equipment to serve new residential and commercial development. In 2008, the District hired Revenue and Cost Specialist LLC to prepare an

Auditor-Controller Concurrence

As to form:

updated Development Impact Fee Nexus Calculation Report. This was the first update of the original 2003 study. The cost associated with construction and apparatus was recalculated to reflect today's construction market prices. The law also requires that a portion of the Nexus report be developed which identifies the proportion of the improvement cost related to the new development and the existing community known as a proportional analysis. (*For example, proportional analysis means that a new fire station that serves an existing population could not be attributed totally to new development.*) The report also takes into account the total available land for development, what demand for service would be at total build out, and factors those numbers into the cost of each project. Because of these and other requirements, the adoption of this new report was necessary. More importantly, however, was that the Master Facilities Plan was reviewed, amended and adopted on February 17, 2009 by the District Board of Directors to reflect a new direction being taken by the Fire District. The impact fees identified in the 2008 report should serve the District for many years with periodic economic indicator adjustments.

Government Code Section 66002 requires that an annual report be prepared that reviews the District's Master Facilities Plan and the estimated costs for constructing the public facilities that are contained therein. The estimated costs for constructing these facilities are adjusted each year by the

Engineering News Record Construction Cost Index which was 2.7% for this reported year. In accordance with Carpinteria Municipal Code 8.26.040 and Santa Barbara County Code 15-67 the fees are automatically adjusted as well. The specific reporting requirements are contained below:

Discussion

Government Code Section 66002 requires that an annual report be prepared that reviews the District's Master Facilities Plan and the estimated costs for constructing the public facilities that are contained therein. The estimated costs for constructing these facilities are adjusted each year by the

Engineering News Record Construction Cost Index which was 2.7% for this reported year. In accordance with Carpinteria Municipal Code 8.26.040 and Santa Barbara County Code Chapter 15, Article IIIA, section 15-67, the fees are automatically adjusted as well. The specific reporting requirements are contained below:

Annual Reports

Development Impact Fees or Mitigation Fees are intended to assist local fire agencies in delivering the increasing service demand caused by additional development. In the 2010-11 Fiscal Year, the fund revenue was underestimated by \$21,000. The lowering revenue pattern demonstrated over the past 3 years is related to a slowing of new construction within the Fire District. The expenditures during this period were dedicated to the on-going lease purchase payment of a Type III wild land Fire Engine and Professional Services for the conceptual design of FD Project # FD-01.

The amount of the fee.

See Exhibit A

The beginning and ending balance of the account or fund. The amount of the fees collected and the interest earned.

See Exhibit B

An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.

See Exhibit C

An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.

As outlined in the Nexus Calculation Report, the Fire District approved Master Facility Plan presents a 20 year vision. Since the plan is dependent on development fees it is extremely difficult to forecast completion dates for the listed projects. Suffice to say, however, it is anticipated by the Fire District to complete all of the projects within the 20 year span of the plan.

See Exhibit C

A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fee will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.

No interfund transfers have been made during this reporting period

The amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocation pursuant to subdivision (f) of Section 66001.

No refunds or allocations have been made.

Automatic Annual Fee Adjustments

Santa Barbara County Code Chapter 15, Article IIIA, ***Carpinteria-Summerland Fire Protection District Fire Protection Mitigation Fee Ordinance***, states the following:

Sec. 15-67. - Automatic adjustment of fee structure.

(a)

The fire protection mitigation fee structure shall be adjusted automatically on the first day of each fiscal year, beginning on July 1, 2006, by a percentage equal to the Engineering Cost Index as published by Engineer News Record for the preceding twelve months. The

district shall provide county with the data necessary to accomplish such annual adjustments.

(b)

The fee structure of this article may be more specifically set and revised periodically by adoption of a resolution by the board of supervisors, with the ordinance codified in this article being considered as enabling and directive in this regard.

(Ord. No. 3878, § 1; Ord. No. 4494; Ord. No. 4566, § 1)

Mandates and Service Levels

Government Code Section 66000 et seq. mandates that any fees imposed by a local agency as a condition of approving a development project must be reviewed annually and every five years by the local agency at a noticed public meeting. The most recent five year review, which included the adoption of a new fee nexus study and master facility plan, was presented and adopted November 10, 2009 by the Board of Supervisors. As part of this, the Government Code requires that a report shall be submitted to the Board within 180 days following the end of the fiscal year. Ordinances adopted by the County to implement the development impact mitigation fee programs require that a report shall be submitted to the Board within 60 days following the end of the fiscal year.

County fee ordinances mandate automatic annual fee adjustments to keep pace with the cost of constructing public facilities.

Performance Measure: *

The recommendation(s) are primarily aligned with:

- Goal No. 1 An Efficient Government Able to Respond Effectively to the Needs of the Community,
- Goal No. 2 A Safe and Healthy Community in Which to Live, Work, and Visit,
- Goal No. 5. A High Quality of Life for All Residents, and are aligned with actions required by law or by routine business necessity

Fiscal and Facilities Impacts:

Attachments:

Attachment A – Fee Schedule

Attachment B – 2010-11 Development Impact fee fund ledger

Attachment C – Carpinteria-Summerland Fire Protection District Master Facility Plan

Authored by:

Michael D. Mingee, Fire Chief

cc: