

**SANTA BARBARA COUNTY
BOARD AGENDA LETTER**



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

Agenda Number:
Prepared on: 6/9/05
Department Name: Fire
Department No.: 031
Agenda Date: 6/21/05
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: John M. Scherrei
Fire Chief

STAFF CONTACT: Tom Franklin, Deputy Chief
x 5501

SUBJECT: Fire Protection Mitigation Fees

Recommendation(s):

That the Board of Supervisors adopt a resolution which:

- A. will allocate the Fire Protection Mitigation Fees that have been collected from April 1, 2004 to March 31, 2005, pursuant to the existing Fire Protection Mitigation Fee Ordinance, effective August 30, 1996.
- B. will maintain the current mitigation fee schedule for fire protection.

Alignment with Board Strategic Plan:

The recommendation is primarily aligned with actions required by law or by routine business necessity.

Executive Summary and Discussion:

In 1996, The Board of Supervisors adopted a Fire Protection Mitigation Fee Ordinance, which was codified as Article III of Chapter 15 of the Santa Barbara County Code. The fee was imposed to mitigate the impacts of new development on the provision of fire protection services. The fee was set to help purchase fire apparatus and equipment. In 1996, there was a projected growth of building space of 15% over 15 years. The department would be adversely affected by the growth. The number of emergency calls and other fire-related activities are directly correlated with the size and number of structures within the district.

The projected growth was expected to cause an approximate 15% increase in the department's emergency calls and other fire-related activities and a 15% acceleration in the wear and tear on fire apparatus and equipment. The mitigation fee has been calculated to cover approximately 15% of the replacement costs of fire apparatus and equipment.

The Fire Mitigation Fee was expected to generate approximately \$150,000 annually. A total of \$1,879,214 has been collected from August 30, 1996 through March 31, 2005. This indicates that there has been higher

growth than was projected in computing the fee. Although the fee collections and increased qualifying expenditures for apparatus and equipment have been relatively equal over the past nine years, qualifying expenditures have exceeded the mitigation fees collected. However, the Fire Department is requesting no change to the Fire Mitigation Fee. The current fee is \$.20 per square foot of new development and for new structures that are equipped with fire sprinklers there is a reduced fee of only \$.10 per square foot.

The Fire Department requests adoption of the resolution to allocate fees collected by the Fire District in the amount of \$260,261 under the current Fire Mitigation Fee Ordinance, to repay the Fire District for a portion of the \$2,039,112 spent on fire apparatus and equipment during the period of April 1, 2004 to March 31, 2005. Due to timing differences between the collection of fees and the expenditure of funds to procure fire apparatus and equipment, there is an additional \$185,617 in qualifying expenditures that can be allocated in future years.

Mandates and Service Levels:

The requested action will help to maintain the current service level.

Fiscal and Facilities Impacts:

It is recommended that \$260,261 of the fees collected from April 1, 2004 to March 31, 2005 be allocated from the Fire Mitigation Fund (1130) to the Fire District Fund (2280). Previously, \$1,721,544 was allocated to the Fire District via similar Board action during the years 1998 to 2004.

Special Instructions:

Upon approval and execution by the Board of Supervisors, the Clerk should distribute as follows:

Original executed resolution – Official File

Copies of executed resolution and minute order to: County Counsel
Auditor-Controller
Fire Department, Attn: Rose Pueschel

Concurrence:

County Counsel
Auditor Controller

Attachment: Resolution, Exhibit "A" (1996 Fire Protection Mitigation Fee Report)

RESOLUTION OF THE BOARD OF SUPERVISORS
COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA

IN THE MATTER OF ALLOCATING
FIRE PROTECTION MITIGATION FEES
COLLECTED BY THE SANTA BARBARA
COUNTY FIRE DEPARTMENT, PURSUANT
TO SANTA BARBARA COUNTY CODE
CHAPTER 15, ARTICLE III, FROM
April 1, 2004 TO MARCH 31, 2005

Resolution No.

- a. The Santa Barbara County Fire Department is responsible for providing fire protection services within the Santa Barbara County Fire Protection District and the private lands in the Los Padres National Forest within Santa Barbara County.
- b. On March 9, 1987, the Board of Supervisors of the County of Santa Barbara established a "Fire Protection Mitigation Fee" by adopting Ordinance No. 3632, which was codified in the Santa Barbara County Code Chapter 15, Article III. Chapter 15, Article III was subsequently amended by Ordinance Nos. 3788, 3877 and 4236.
- c. From March 9, 1987, to August 29, 1996, the mitigation fee was:
(1) \$350 plus 25 cents per square foot of floor area for new non-residential structures and for additions to non-residential structures of more than 500 square feet; and (2) \$350 for new residential units and for additions to residential units of more than 1,000 square feet. The mitigation fee was imposed to partially fund fire protection capital improvement, including structures, fire apparatus and equipment.
- d. Ordinance 4236 narrowed the scope of the mitigation fee to fund only a pro rata share of the replacement cost of fire apparatus and equipment. Ordinance 4236 was adopted July 30, 1996, and became effective August 30, 1996.
- e. Resolution No. 96-321, adopted July 30, 1996, set the current mitigation fee at twenty cents per square foot of floor area for new non-residential buildings and new residential units. The same fee is imposed on additions to non-residential buildings that add 500 or more square feet of floor area, and on additions to residential units that add 1,000 or more square feet of floor area. The same fee is also imposed when a mobilehome space is added to an existing mobilehome park. The amount of the fee is reduced by 50% if the structure is fully protected by an approved automatic fire sprinkler system.
- f. The fee was calculated in accordance with parameters set forth in the "1996 Fire Protection Mitigation Fee Report" from the Santa Barbara County Fire Department. (A copy of the Report is attached as Exhibit A and incorporated by reference.) The Report evaluates the fire protection needs of future development and analyzes how those needs impact the fire protection services provided by County Fire.
- g. This mitigation fee has been collected and administered consistent with Government Code §66000 et seq.

h. This resolution allocates mitigation fees collected from April 1, 2004, to March 31, 2005.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA BARBARA:

ADOPTION OF FINDINGS.

The Board of Supervisors hereby finds as follows:

1.1 Incorporation of Report. The Board of Supervisors re-affirms the Report and incorporates it herein by this reference with regard to fees collected from August 30, 1996, to March 31, 2005. The Board of Supervisors finds that the development in the District over this period generated additional burdens on County Fire's ability to provide adequate fire protection services and therefore, if not mitigated, would contribute to the degradation of the public health and safety within the area served by County Fire.

1.2 Purpose of Fee. The purpose of this mitigation fee is to have future development pay its proportional share of County Fire's replacement costs of fire apparatus and equipment.

1.3 Use of Fee. The mitigation fees collected by County Fire shall be used to finance the proportional share of the replacement costs of fire apparatus and equipment which is attributable to new development.

1.4 Relationship Between Use of Fee and Development. The facts and evidence establish that there is a reasonable relationship between the use of the fee and the types of development upon which the fee is imposed because the fire apparatus and equipment acquired with the revenues generated by the fee will directly enhance County Fire's capability to provide fire protection services to future development.

1.5 Relationship Between New Development and the Increased Demand on Fire Protection Services. The facts and evidence establish that there is a reasonable relationship between new development and the increased demand on fire protection services: (a) The new development within the District has created additional burdens upon County Fire's ability to provide adequate fire protection services; (b) the new development requires the availability of adequate fire protection services to protect the community's health and safety; (c) the new development should be required to bear its fair share of the depreciation costs of fire apparatus and equipment, to avoid a deterioration in the level of fire protection services provided to the community; and (d) the financial burden of the fee has been allocated among the types of development in approximately the same proportion as the burden such types of development have imposed on County Fire's ability to provide fire protection services.

1.6 Relationship Between Amount of Fee and the Depreciation Costs. County Fire's depreciation costs for fire apparatus and equipment is set forth in the Report. Based upon the Report, it appears that the depreciation costs allocated to new development are reasonable. The fees generated by the new development do not exceed the depreciation costs associated with providing adequate fire protection services to the new development.

1.7 Amount of Fee. The amount of the fee was predicated on an anticipated annual growth rate of 1%, which translates to approximately \$151,900 in fees per year. \$1,879,214 in fees has been collected from

August 30, 1996 through March 31, 2005, which means that the growth rate exceeded 1% per year. Although a slight fee increase could be justified, County Fire does not wish to alter the fee at this time.

ALLOCATION OF THE MITIGATION FEES COLLECTED.

The mitigation fees collected from April 1, 2004, to March 31, 2005 associated with the projected 15% growth rate over a 15 year period, shall be allocated as follows:

\$260,261 to the Fire District (Fund 2280).

JUDICIAL ACTION TO CHALLENGE THIS RESOLUTION.

Any judicial action or proceeding to attack, review, set aside, void, or annul this Resolution shall be brought within 120 days of the date set forth below.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, State of California, this 21st day of June, 2005, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chair, Board of Supervisors

ATTEST:
MICHAEL F. BROWN
BY

Deputy

APPROVED AS TO FORM:
STEPHEN SHANE STARK
COUNTY COUNSEL
BY

Deputy County Counsel

APPROVED AS TO ACCOUNTING
FORM
ROBET W. GEIS, CPA
AUDITOR-CONTROLLER
BY

1996 FIRE PROTECTION MITIGATION FEE REPORT

SANTA BARBARA COUNTY FIRE DEPARTMENT

A. PURPOSE

The purpose of this report is: (1) to set forth the amount of the Fire Protection Mitigation Fees collected in accordance with Government Code section 66000 et seq., from October 16, 1993 to June 3, 1996, which will be allocated and distributed by resolution of the Board of Supervisors; (2) to evaluate the anticipated fire protection needs of future development within the Santa Barbara County Fire Protection District and analyze how those needs will impact County Fire; and (3) to review the proposed amendments to the fire protection mitigation fee program.

B. BACKGROUND

The Santa Barbara County Board of Supervisors, in April 1987, adopted a Fire Protection Mitigation Fee Ordinance (County Code, Article III, sections 15 – 4/8, et seq.) for the unincorporated area of the County, excluding the special fire districts of Orcutt and Montecito, and federal lands.¹ The mitigation fee is used to mitigate the impacts imposed by development on fire protection. The mitigation fee has been tied to the capital needs of the County Fire Department, identified in the 1986 Capital Improvement Plan, as amended. The program is administered in accordance with Government Code section 66000 et seq.

Mitigation fees were last allocated by the Board of Supervisors to specific capital projects on October 16, 1993.

C. ALLOCATION OF FEES

Since October 16, 1993, mitigation fees of \$270,431 have been collected and deposited in a North County trust fund, and mitigation fees of \$128,902 have been collected and deposited in A South County trust fund. It is requested that these fees be allocated as follows:

_____ --

¹ Initially, the Carpinteria-Summerland Fire Protection District was covered by Article III. However, in 1990, at the request of Carpinteria-Summerland Fire Protection District, the Board of Supervisors deleted Carpinteria-Summerland from Article III and adopted County Code, Article IIIA, entitled "Carpinteria-Summerland Fire Protection District Fire Protection Mitigation Fee Ordinance."

FUND (Fire Protection Mitigation Fees collected from October 16, 1993 to June 3, 1996, plus accumulated interest)

1130	North County Trust Fund	\$270,431
1131	South County Trust Fund	<u>128,902</u>
	Total	\$399,333

Allocation of North County Trust Fund

<u>Project</u>	<u>Cost</u>	<u>Prior Allocation</u>	<u>Current Allocation</u>
Station 23	\$700,000	\$181,931	\$ 63,101
Station 32	\$1,900,000	\$491,889	\$171,273
Admin. Center	<u>\$400,000²</u>	<u>-0-</u>	<u>\$ 36,057</u>
	\$3,000,000	\$673,820	\$270,431

Allocation of South County Trust Fund

<u>Project</u>	<u>Cost</u>	<u>Prior Allocation</u>	<u>Current Allocation</u>
Station 12	\$1,900,000	<u>-0-</u>	\$ 58,313
Station 19	\$1,900,000	\$359,888	\$ 58,313
Admin. Center	<u>\$400,000</u>	<u>\$154,237</u>	<u>\$ 12,276</u>
	\$4,200,000	\$514,125	\$128,902

If approved by the Board of Supervisors, the allocated fees plus interest would be transferred to the Santa Barbara County Fire Protection district Capital Trust Fund 2281.

² The Administrative Center fulfills a county-wide function, with a portion of its cost allocated to the North and South County Trust Funds. However, prior allocations only came from the South County Trust Fund.

D. AMENDMENT OF FIRE PROTECTION MITIGATION FEE PROGRAM

1. Impacts on Fire Protection. The projected growth rate for new development within the County Fire District has been revised downward. Projected growth will still adversely impact County Fire. New development will generate a corresponding increase in emergency responses and other fire-related activity such as fire inspections, training and pre-fire planning. The increased activity will accelerate the wear and tear of the Department's fire apparatus and equipment.³

Under the amended fire protection mitigation fee program, future development will pay its proportional share of County Fire's replacement costs of apparatus and equipment attributable to that new development. The fire protection mitigation fee will be imposed on a square foot basis.

2. Calculation of New Fire Protection Mitigation Fee. To calculate the fire protection mitigation fee, County Fire estimated the current building space square footage within the Fire District and then estimated the expected growth over the next 15 years.

The building space square footage within the Fire District is currently estimated to be 75,000,000 square feet.⁴ This estimate was calculated as follows:

- a. There is approximately 18,000,000 square feet of non-residential building space within the Fire District;
- b. There are approximately 40,548 residential units within the Fire District.

Goleta	23,881 units
Orcutt	10,943 units

³ "Apparatus" includes, but is not limited to, fire engines, brush engines, utility vehicles, staff vehicles, water tenders, bulldozers, paramedic rescue vehicles and paramedic ambulances. "Equipment" includes, but is not limited to, ladders, fittings, hoses, radios, cellular telephones, tools, safety clothing, breathing apparatus, hazardous materials equipment and medical and rescue equipment. Such items have a depreciable life of approximately five or more years.

⁴ Statistical information provided by the Santa Barbara County Planning and Development Department.

Santa Ynez	2,224	units
Lompoc	1,000	units approximately
Buellton	2,000	units approximately
Los Alamos	500	units approximately
Cuyama	<u>500</u>	units approximately
Total	40,548	residential units

c. Assuming that the average size of a residential unit is 1,400 square feet, there is approximately 56,767,200 square feet of residential building space. [1,400 (average square footage) x 40,548 (total residential units) = 56,767,200 (square feet of residential building space).]

County Fire arrived at the projected growth rate by reviewing the Santa Barbara County Association of Governments' regional growth forecast, the 1995 Supplemental Environmental Impact Report for the Proposed Amendments to the Goleta Growth Management Ordinance, and the July 1995 Draft Environmental Impact Report for the Orcutt Community Plan,⁵ and consulted with the Santa Barbara County Planning and Development Department. It is estimated that building square footage will expand at a rate of 1% per year over the next 15 years. The 15% increase equates to approximately 11,250,000 square feet of building space. (75,000,000 square feet x 15% = 11,250,000 square feet.)

The number of emergency calls and other fire related activities is correlated with the size and number of structures within the District. County Fire experiences a proportional increase in its workload when the built environment expands. The projected growth over the next 15 years will increase the number of fire emergency calls and other fire related activities by approximately 15%. The increase in fire activity will accelerate the wear and tear on the Fire Department's apparatus and equipment by approximately 15%, which translates to a 15% increase in the related depreciation budget.

⁵ Most growth information includes municipalities as well as other fire districts, so it is difficult to project actual growth within the County Fire District. The two greatest areas of growth within the district are Goleta and Orcutt. An additional 5,470 residential units and 1,570,000 square feet of commercial development are projected for the Goleta and Orcutt areas within the next 10 years. This equates to approximately 9,000,000 square feet of new development. Considering that this growth projection is for 10 years and does not include other areas of the County Fire District, the Fire department's projection of 11,250,000 square feet of development for the next 15 years is a conservative estimate.

The projected 15-year budget for the replacement of apparatus and equipment is \$17,468,500, 15% of which is attributed to the increased wear and tear associated with the provision of fire protection services to future development. The financial impact equates to \$2,278,500. ($\$15,190,000 \times 1.15 = \$17,468,500$; $\$17,468,500 - \$15,190,000 = \$2,278,500$.)

The mitigation fee is calculated by dividing the related replacement costs attributed to new development by the projected increase in building square footage: $\$2,278,500 \div 11,250,000$ square feet = \$.20 per square foot.

3. Application of New Fee. Under the amended fire protection mitigation program, the \$.20 per square foot charge will be applied universally to residential and non-residential development with the following limitations:

- a. The fee only will be assessed on the construction of new residential buildings, including additions which add more than 1,000 square feet of floor area;
- b. The fee will be assessed upon mobilehome spaces within a mobilehome park.
- c. The fee only will be assessed on the construction of new non-residential buildings and on additions which add more than 500 square feet;
- d. The fee shall not be assessed on structures that replace a structure that was destroyed by fire or other calamity, provided that the replacement structure is the same size or smaller than the original structure;
- e. A fee reduction of 50% will be allowed on buildings fully protected by an automatic fire suppression system which is approved by County Fire.

4. Justification for Fee Reduction for Sprinklers. Simply stated, the justification for the fire protection mitigation fee is that each additional square foot of the built environment incrementally increases the burden on the existing community fire protection delivery system generally, and increases the cost of replacing apparatus and equipment particularly.

Review of department records contrasted and compared with California (State Fire Marshal, California Fire Incident Reporting System – CFIRS, 1995) and U.S. (National Fire Protection Association) data indicated that approximately one-half of the cost of the response effort is expended on responding to, attacking, and extinguishing fires within residential, commercial, and industrial structures.

California and U.S. statistical correlations between unprotected risks and those protected by automatic fire sprinkler systems indicate less than one percent likelihood of a large (dollar) loss incident, or fatality, in a fully sprinklered structure. Insurance companies' experience and resulting data support this finding. The Insurance Services Office (ISO), which classifies cities and counties in 49 of the 50 states with respect to community fire conflagration defense competence for rate setting purposes, views sprinklered structures as requiring no property protection fire response capability.

The increased burden on the Fire Department imposed by new development is, therefore, significantly reduced when fire sprinklers are installed. The reduced mitigation fee would be applied toward ancillary incidents related to the people and processes associated with additional structures, or increased size of existing structures, such as medical calls, exterior fires, vehicle fires and hazardous materials events, and the physical emergencies within the structures unaffected by the fire extinguishing systems such as earthquakes and floods.

It is, therefore, appropriate to reduce the amount of the mitigation fee by 50% for all new construction provided with such protection.

5. The New Mitigation Fee Will Be Deposited in a County-Wide Trust Fund. Use of the mitigation fee to partially offset the cost of replacing fire apparatus and equipment negates the need to have separate trust accounts for North and South Santa Barbara County.

Under the existing mitigation fee program, the fee is imposed to partially fund the cost of constructing fire facilities. The fee collected in the North County is placed in a North County Trust Fund, and the same procedure is used in the South County. The trust accounts are then expended exclusively on facilities located in the part of the county where the fee was generated or expended on facilities which serve a county-wide purpose, such as the fire administration center.

Under the new mitigation fee program, each station, with its assigned apparatus and equipment, is part of the county-wide fire protection system. When an incident of considerable consequence occurs in the North, units from the South are dispatched to support or cover behind those units committed to the incident. When the incident is South, units from the North are dispatched South. There are also those incidents that involve both North and South units from the onset and there are Chief Officer and Staff Officer vehicles that respond county-wide. The fees collected under the new plan will be deposited in a single trust fund and allocated to replace fire apparatus and equipment on a county-wide basis.