

MANTECA FIRE DEPARTMENT FIRE FACILITIES IMPACT FEE UPDATE STUDY

REVISED FINAL REPORT

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Introduction

This report summarizes an analysis of the need for fire facilities by the City of Manteca (City) Fire Department (Fire Department) to accommodate new development. The report documents a reasonable relationship between new development and an impact fee for funding new fire facilities. As with most local agencies, the City of Manteca's property tax revenue stream, and therefore also the funding for the Fire Department, has diminished in terms of real dollars over time since the imposition of Proposition 13 in 1978. Consequently, the City and the Fire Department must manage its resources carefully to continue to adequately serve the existing and projected new residents and businesses in the City.

Background and Study Objectives

The City of Manteca currently has a fire facility impact fee program in place. The fees were originally calculated by City staff and imposed in 1994. The fire facilities impact fees were updated, also by City staff, in 2000. The fees have not been updated or increased since that time.

The City is choosing to comprehensively update the fee and the fee documentation at this time primarily to reflect changes in cost assumptions and the facilities identified as needed to serve the future population. In addition to updating the facilities needed to serve future development, the existing service population, including estimates of existing residents and employees, has been updated. Residential density factors used in the study reflect the most current data available at the time that research for this update study was done (2010 data). Additionally, the Fire Department's inventory of existing facilities and the impact fee fund balance have been updated to reflect recent impact fee collections and fire facilities expenditures.

The Fire Department's service boundaries currently encompass the entire incorporated City of Manteca. For the purpose of this analysis, two recent annexation areas, the Austin Road Industrial Park and the Center Point Master Plan Area, are included within the Fire Department service boundary area.

This report provides the necessary documentation for the City of Manteca City Council to adopt an updated fire facilities impact fee. It also provides a suggested list of statutory findings pertaining to the imposition of fire facilities fees and a brief discussion of fee implementation issues.

Growth Projections

Estimates of the existing service population and projections of growth are critical assumptions used throughout this report. These estimates are used as follows:

- Estimates of existing development in 2011 are used to determine the existing standards of fire protection facilities currently provided; and
- Estimates of service population growth from 2011 to 2030 are used to allocate to new development its fair share of total planned facility needs and to project impact fee revenue.

Household residents, group quarters residents (used to approximate nursing home residents) and worker population data are used to measure existing service population and future growth as part of the fee calculation in this report. These measures are used to approximate the level of demand for fire facilities because numbers of household residents, group quarters residents, and workers are reasonable indicators of the level of demand for fire protection facilities. The Fire Department plans fire facilities primarily to serve this combined service population and, typically, the greater the service population, the more fire protection facilities are required to provide and maintain a given level of service.

Service Population Estimates and Growth Projections for the City of Manteca

Table 1 provides the Fire Department's total estimated service population in 2011 and 2030. Service population is not the same as "daytime population". Daytime population is a measure of the total number of people, including residents and workers that are in a given place during the day. Although conceptually related, service population estimates also take into account the *relative demand* of the population associate with different categories of land uses on fire protection services and facilities. This report relies on an analysis conducted of detailed call data provided by the Fire Department. The call data analysis indicated different weightings which are applied to two categories of residents, household residents and nursing home residents, as well as workers working at jobs located within the City of Manteca. The service population categories and the different weightings applied are described in more detail below.

Existing Household Resident, Group Quarter Resident, and Worker Estimates

The estimate of residents living in households in the City of Manteca shown in Table 1 is from the California Department of Finance (DOF) E-5 report for January 1, 2011. DOF data usually includes a category called "Group Quarters". Group quarters population estimates can include populations such as prison inmates, students residing in dormitories, and residents in nursing homes. As the City currently has neither a prison nor college dormitories, it is assumed that the 477 group quarters residents reported by DOF primarily include residents living in nursing homes. Estimates of group quarters residents are taken from the DOF E-5 report for January 1, 2010 because the group quarters level of detail was not included in the latest DOF E-5 reports for 2011.

Table 1: Manteca Fire Facilities Service Population

	A	B	C	D	E	D = A + (B * C)
	Household Residents	Group Quarters Residents ¹	Group Quarters Factor ²	Workers	Worker Demand Factor ³	Service Population ⁴
Existing (2011)	67,933	477	11.80	15,084	0.47	80,700
New Development (2011 - 2030)	39,356	276	11.80	5,317	0.47	45,100
Total (2030)	107,289	753	11.80	20,401	0.47	125,800

¹ Estimates of group quarters residents as reported by California Department of Finance used as a proxy to estimate nursing home residents. Group quarters residents are 0.70 percent of household residents. The same percentage is applied to projected total residents in 2030 to derive nursing home residents in 2030.

² Weighting factor of 11.80 group quarters residents per household resident is based on Willdan Financial Services analysis of call data records 2007-2010 provided by the City of Manteca Fire Department. The weighting factor of 11.80 reflects the number of calls to 24-hour care nursing homes in Manteca compared to other residential service calls per resident.

³ Weighting factor of 0.47 workers per resident is based on Willdan Financial Services analysis of call data records 2007-2010 provided by the City of Manteca Fire Department. The weighting factor of 0.47 reflects the number of nonresidential service calls per employee working in Manteca compared to residential service calls per resident, excluding calls to nursing homes. (See also footnote 2 and Appendix A.)

⁴ Service population totals may not add exactly due to rounding.

Sources: California Employment Development Department (EDD); California Department of Finance E-5 Report for January 1, 2010 (Group Quarters) and January 1, 2011 (total residents); San Joaquin Council of Governments Projections 2009; City of Manteca Fire Department; Appendix A; Willdan Financial Services.

Base year (2011) employment estimates are from data provided by the California Employment Development Department (EDD) for the second quarter of 2010, the latest data available at the time this study was researched. The City has recently annexed two new areas (Austin and Center Point). Few residents are assumed to currently live within the new annexation areas and hence no adjustments are made to the DOF estimate of residents. However, as existing commercial activity was identified by the Fire Department in the annexation areas, the employment data requested from EDD includes existing employment in the annexation areas.

Household Resident, Group Quarter Resident and Worker Projections

Future projections for the residential population and for the number of jobs in Manteca by 2030 are from the San Joaquin Council of Government’s (SJCOG) 2009 projections. SJCOG projects a total of 107,766 residents by 2030. To estimate future group quarters residents (used as an estimate for nursing home residents), the current percentage of group quarters residents to household residents (0.70 percent) is applied to the total residents and yields an estimate of 754 group quarters residents by 2030. Household residents by 2030 are estimated at 107,012 with the adjustment made for projected group quarters residents. Projections of total workers in the City of Manteca by 2030 are as reported in the 2009 SJCOG projections.

Household Resident, Group Quarters Resident and Worker Demand Factors

Table 1 shows how the total service population for fire department services and facilities is derived. To calculate the service population for fire protection facilities, residents are weighted at

1.00. To estimate the demand of group quarters residents and workers relative to household residents, an analysis was conducted of detailed call data records for the years 2007-2010 provided by the Fire Department. Based on the analysis of the call data provided by the Fire Department, workers are weighted at 0.47 relative to a household resident. **Appendix A** provides a summary of the call data and shows the weighting calculations comparing residential calls per resident to nonresidential calls per employee.

The analysis of the call data provided by the Fire Department also indicates numerous fire department calls to locations identified in the call data as 24-hour nursing homes. As noted above, the group quarters population estimates are used as a proxy for nursing home residents in this study. Although it is not unusual for nursing homes and other residential care facilities to generate large numbers of fire department calls, the data in this instance yielded a weighting factor of 11.80 for nursing home, or group quarters, residents relative to household residents. This relative weighting factor was significant enough to warrant special consideration of this land use for service population and impact fee calculations. Hence, Table 1 includes separate calculations for group quarters (nursing home) residents.

Total existing and projected fire department service population is calculated by adding residents to group quarters residents multiplied by the group quarters weighting factor of 11.80, added to workers multiplied by the worker weighting factor of 0.47. The total estimated 2011 fire service population is thus estimated at approximately 80,700 and the projected 2030 service population is estimated at approximately 125,800.

Occupant Densities

Estimates of occupant density ensure a reasonable relationship between the increase in service population accommodated by a development project and the amount of the fee. To do this, the fee must vary by the estimated service population generated by a particular development project. Developers typically pay impact fees based on the number of additional housing units or square feet of new residential development or on the building square feet of nonresidential development, so the fee schedule must convert service population estimates to these measures of project size. The conversion is done with average occupant density factors by land use type, as shown in **Table 2**.

The residential occupant density factors are derived from the United States Census Bureau's American Community Survey 2007-2009 Tables B25024 and B25033 for the City of Manteca. The residential density factors are per unit, not per household, so they implicitly include a vacancy factor. This is appropriate, given that the fire facilities fee will be imposed on every residential unit (or square feet of residential units constructed), not solely on occupied housing units. There are usually fewer people per multi-family unit, primarily because of the smaller average size of multi-family units, and this typical pattern is evident in the United States Census Bureau data for the City of Manteca.

The nonresidential occupancy density factors (employees per 1,000 square feet) are based on the Employment Density Study Summary Report, prepared for the Southern California Association of Governments, October 2001 by The Natelson Company. These estimates reflect

typical differences where office uses are usually more densely occupied than retail spaces and industrial spaces are usually even less densely occupied in terms of the number of workers per 1,000 square feet of space.

The nursing home density assumes a vacancy of five percent estimated by Willdan.

Table 2: Occupancy Density Assumptions

<i>Residential</i>		
Single Family	2.99	Persons per dwelling unit
Multi-Family	1.96	Persons per dwelling unit
<i>Nonresidential</i>		
Retail	2.39	Employees per 1,000 sq. ft.
Office	3.12	Employees per 1,000 sq. ft.
Industrial	1.16	Employees per 1,000 sq. ft.
<i>Special Land Uses</i>		
Nursing Home ¹	0.95	Person per bed

¹ Assumes a nursing home vacancy factor of five (5) percent of all beds.

Sources: United States Census Bureau, American Community Survey 2007-2009 (Tables B25024 and B25033 for the City of Manteca); The Natelson Company, Employment Density Study, prepared for the Southern California Association of Governments, October 31, 2001; Willdan Financial Services.

Fire Protection Facilities

The Fire Department's inventory of existing fire facilities was used as the basis for calculating the fire facilities standard. This standard is used to determine new development's fair share obligation for expanded facilities as growth occurs. The Fire Department's existing fire protection facilities described in this section currently serve the entire City. The Fire Department's planned fire protection facilities are also described in this chapter.

Existing Fire Facilities

Tables 3 through 5 provide a detailed inventory of the Fire Department's stations, apparatus and special equipment. The estimated value of the Fire Department's inventory is based on data from a variety of sources. Unit costs reflected in Tables 3, 4 and 5 include the following:

- **Land cost per acre.** Estimated cost per acre based on market research conducted by Willdan Financial Services adjusted (downward) by information from local brokers referenced by the Fire Department;
- **Buildings.** Estimated replacement costs of existing buildings are based on the City's insurance records;
- **Apparatus/Vehicles.** Estimated replacement cost of apparatus, vehicles and equipment carried on apparatus provided by the Fire Department and by Willdan Financial Services based on experience with other fire district and department clients statewide. Replacement costs reflect depreciation assumptions for older engines and vehicles; and
- **Special Equipment.** Estimated costs based on City insurance records.

Table 3 highlights the Fire Department's existing stations. The Fire Department currently serves the City with three fire stations. The Department already owns the land for planned Station 244 and Planned Station 245. The total value of existing Fire Department-owned land and buildings as shown in Table 3 is estimated at approximately \$3.13 million.

Table 4 illustrates the inventory and estimated value of existing apparatus and vehicles cost and equipment, including the fire fighting, emergency medical, and communications equipment needed to stock each vehicle. The values of apparatus were provided by the Fire Department. Willdan Financial Services discounted the estimated values of older apparatus and vehicles from the replacement value of new apparatus and vehicles to reflect their age with a 25 percent decrease in value for every five years in age. Additionally, one piece of apparatus is being financed and paid for over time. The amount shown for the ladder truck is the equivalent of the principal payments to date. The total value of existing apparatus, vehicles, and equipment carried on apparatus and vehicles is estimated at approximately \$2.94 million.

Table 5 provides the sum of the estimated value of stations and land from Table 3 and apparatus, vehicles and "on-board" equipment (equipment carried on apparatus or vehicles) from Table 4, plus an estimate of other Fire Department equipment located at fire stations. The value of other special equipment located at all stations is estimated at approximately \$1.12 million based on the

City's insurance records for the Fire Department. The sum of total Fire Department inventory shown in Table 5 is approximately \$7.19 million.

Table 3: Existing Fire Stations Land and Buildings

	Amount	Unit Cost	Total Cost
<i>Station 241 - 290 S. Powers</i>			
Main station building	6,850 sq. ft.	\$ 130	\$ 890,100
Metal storage unit			3,700
Storage building			20,900
Training modular	960 sq. ft.		69,000
Modular offices	540 sq. ft.		36,900
Land	1.44 acres	50,000	<u>72,000</u>
Subtotal Station 241			\$ 1,092,600
<i>Station 242 - 1154 S. Union Road</i>			
Station building	10,000 sq. ft.	\$ 166	\$ 1,664,100
Detached garage			16,000
Land	1.06 acres	50,000	<u>53,000</u>
Subtotal Station 242			\$ 1,733,100
<i>Station 243 - 399 W. Louise</i>			
Station building	2,536 sq. ft.	\$ 79	\$ 201,100
Metal storage unit			3,700
Land	0.24 acres	50,000	<u>12,000</u>
Subtotal Station 243			\$ 216,800
<i>Station 244 - 1465 Lathrop Road</i>			
Land ¹	0.99 acres	\$ 50,000	<u>\$ 49,500</u>
Subtotal Station 244			49,500
<i>Station 245 - 1673 E. Woodward Ave.</i>			
Land ²	0.79 acre	\$ 50,000	<u>\$ 39,500</u>
			39,500
Total Existing Facilities			
Land	4.52 acres		
Stations ³	19,386 sq. ft.		
Other buildings	1,500 sq. ft.		<u>\$ 3,131,500</u>

Note: Numbers have been rounded.

¹ Station 244 is in construction planning stage. Land for Station 244 was dedicated by a developer.

² Land for Station 245 is already owned by the City of Manteca.

³ Excludes square feet of modular buildings at Station 241.

Source: Manteca Fire Department.

Table 4: Existing Apparatus and Equipment Inventory and Valuation

Vehicle Type and Make	Unit ID #	Model		Vehicle ¹	Equipment	Total
		Year				
<i>Type 1 Engines</i>						
American LaFrance Pumper	E241	2007		\$ 400,000	\$ 50,000	\$ 450,000
American LaFrance Pumper	E242	2003		300,000	50,000	350,000
American LaFrance Pumper	E243	2007		400,000	50,000	450,000
Pierce 4-Door	E244	1989		100,000	50,000	150,000
American LaFrance Pumper	E245	1997		200,000	50,000	250,000
Pierce 2-Door	E246	1989		100,000	50,000	150,000
Subtotal, Type 1 Engines				\$ 1,500,000	\$ 300,000	\$ 1,800,000
<i>Ladder Trucks</i>						
Sutphen 100' Aerial Ladder ²	T24	2008		\$ 622,969	\$ 100,000	\$ 722,969
Subtotal, Ladder Trucks				\$ 622,969	\$ 100,000	\$ 722,969
<i>Other Vehicles</i>						
Ford Expedition SUV		2009		50,000	-	50,000
Ford Expedition SUV		2009		50,000	-	50,000
Ford Expedition SUV		2008		50,000	-	50,000
Ford Command Vehicle		2008		50,000	-	50,000
Safety Trailer		2007		5,000	5,000	10,000
USAR-24 Trailer		2006		5,000	5,000	10,000
Ford Explorer SUV		2003		22,500	-	22,500
Ford Taurus Sedan		2003		22,500	-	22,500
Trench Trailer		2003		5,000	5,000	10,000
Ford Explorer SUV		2002		22,500	-	22,500
Ford Explorer SUV		2002		22,500	-	22,500
Buick Sedan SAFE Car		2001		22,500	-	22,500
Buick Sedan SAFE Car		2000		15,000	-	15,000
Ford Explorer SUV		1999		15,000	-	15,000
Chevy Jimmy SUV		1997		15,000	-	15,000
Chevy Suburban SUV		1991		12,500	-	12,500
Flatbed Trailer		1990		5,000	5,000	10,000
Dodge Pickup Truck		1988		\$ 7,500	\$ -	\$ 7,500
Subtotal, Other Vehicles				\$ 397,500	\$ 20,000	\$ 417,500
Total All Vehicles & Equipment				\$ 2,520,469	\$ 420,000	\$ 2,940,469

¹ Value based on estimated current replacement value. Adjustments have been made to discount apparatus and vehicles based on age (0-5 years, 100 percent of replacement value; 6-10 years, 75 percent; 11-15 years, 50 percent; 16 years or more, 25 percent.)

² Purchase of the ladder truck is being financed. Amount shown is amount of principal paid on truck as of Feb. 2011 (the last scheduled payment at the time of this report.) Total value of ladder truck with on-board equipment is \$1,055,000.

Source: Manteca Fire Department; Willdan Financial Services.

Table 5: Estimated Total Value of Fire Department Inventory

Description	Value
Stations	\$ 3,131,500
Apparatus	2,940,469
Other Equipment ¹	<u>1,116,500</u>
Total	<u>\$ 7,188,469</u>

Note: Totals rounded to nearest hundred.

¹Other Equipment value from City of Manteca records of insured personal property (e.g. contents) at existing fire stations. Based on other inventory data provided by the Fire Department, the personal property estimate is assumed to include approximately \$524,200 in firefighter protective clothing and breathing apparatus.

Sources: Tables 3 and 4; City of Manteca.

Fire Protection Facility Standards

The fire facilities impact fees calculated in this report are based on an existing facility standard approach calculated based on the existing level of different types of fire protection facilities owned by the City of Manteca Fire Department divided by the existing service population. The Fire Department's resulting existing standards for its various facilities are shown in **Table 6**. The standards for station space and land are first shown per square foot for station space and land, and then translated to a cost per capita standard based on the cost per square foot of station space and land, respectively. The standard for apparatus, vehicles and equipment is calculated as a cost standard based on estimated value. The total facility cost standard is the sum. The cost standard is adjusted and shown separately for residents, group quarters (nursing home) residents, and workers based on their respective demand for services relative to household residents as described in the Growth Projections section of this report. (See service population discussion on pages 2 - 4 and in Table 1).

Planned Fire Protection Facilities

Table 7 presents the Fire Department's updated planned fire facilities. Changes from the prior documentation include the elimination of plans to build a sixth station. Specifically, the Fire Department has decided that adding two, rather than three, new stations will be sufficient to adequately serve projected new development both compared to the facilities standards shown above in Table 6, and to provide adequate response time. Response time is a critical facilities planning consideration for fire departments, both in terms of the number of stations needed and the planned location of additional stations.

The total cost for planned fire protection facilities is approximately \$9.11 million. The building construction cost assumption is based on a November 2010 "opinion of probable cost" estimate for Station 244 prepared by a construction design firm and provided by the Fire Department. Land for both Station 244 and Station 245 has already been acquired by the City.

Table 6: Fire Protection Facilities Existing Standards

Existing Fire Stations (square feet, see Table 3) [A]	19,386
Existing 2011 Service Population [B]	80,700
Facility Standard per Capita [C = A / B]	0.24
Cost per Square Foot [D]	\$ 438.00
Per Capita Cost per Square Foot [E = C x D]	\$ 105.12
Existing Fire Station Land in Acres (See Table 3.) [F]	4.52
Square Feet per Acre [G]	43,560
Existing Fire Station Land in Square Feet [H = F x G]	196,891
Existing 2011 Service Population [B]	80,700
Facility Standard per Capita [I = G / B]	2.44
Cost per Acre [J]	\$ 50,000
Square Feet per Acre [G]	43,560
Land Cost per Square Foot [J = I / G]	\$ 1.15
Per Capita Cost per Square Foot [K = I x J]	\$ 2.81
Existing Value of Apparatus, Vehicles and Equipment [L]	\$ 4,057,000
Existing 2010 Service Population [B]	80,700
Per Capita Value of Apparatus, Vehicles and Equipment [M = L / B]	\$ 50.27
Cost per Resident [N = E + K + M]	\$ 158
Cost per Group Quarters (Nursing Home) Resident [O = N x 11.80] ¹	1,864
Cost per Worker [O = N x 0.47] ²	74

¹ Group Quarters (Nursing Home) resident weighting factor of 11.80 group quarters resident per household resident is based on Willdan Financial Services analysis of call data records 2007-2010 provided by the City of Manteca Fire Department. The weighting factor reflects the number of calls to nursing homes per nursing home resident residential service calls per household resident.

² Weighting factor of 0.47 workers per resident is based on Willdan Financial Services analysis of call data records 2007-2010 provided by the City of Manteca Fire Department. The weighting factor reflects the number of nonresidential service calls per employee working in Manteca compared to residential service calls per resident, omitting calls to nursing home facilities.

Sources: Tables 1,3, 5; Willdan Financial Services.

The planned new facilities in Table 7 also include an estimate of needed additional apparatus, vehicles, and additional equipment. The apparatus cost shown for the Type 1 engines include all associated onboard equipment (equipment carried on the engines). A cost for back up as well as front line engines are included as stations are usually equipped with both types of engines and because there is a secondary market for used apparatus. Apparatus and equipment actually purchased in the future may vary from the suggested apparatus shown in Table 7 depending on other available apparatus owned by the Fire Department and specific needs of the Fire Department at the time of purchase. However, the future apparatus and vehicles needs shown in Table 7 mirror the approximate distribution of apparatus and vehicles in existing stations. Costs of apparatus and vehicles shown in Table 7 were updated from the costs shown in the previous

draft study based on additional review and data provided by the Manteca Fire Department in September 2011.

Table 7: Manteca Fire Department Planned Fire Facilities

	Amount	Unit Cost	Total Cost
Fire Stations			
<i>Station 244 - 1465 Lathrop Road</i>			
Land ¹	0.99 acre		\$ -
Station construction and furnishings ²	8,175 sq. ft.	438	3,579,900
Subtotal			\$ 3,579,900
<i>Station 245 - 1673 E. Woodward Ave.</i>			
Land ¹	0.79 acre		\$ -
Station construction and furnishings ²	8,175 sq. ft.	438	3,579,900
Subtotal			\$ 3,579,900
Apparatus, Vehicles and Equipment			
Type I Engine (equipped, front line)	2 engines	\$ 450,000	\$ 900,000
Type I Engine (equipped, back-up)	2 engines	300,000	600,000
Utility Vehicle	4 vehicles	40,000	160,000
Additional equipment ³			293,200
Subtotal			\$ 1,953,200
Grand Total			<u>\$ 9,113,000</u>

¹ Land for both planned stations is already owned by City of Manteca and land costs are therefore included in existing facilities inventory. (See also Table 3.)

² Station construction cost based on a November 2010 "opinion of probable cost" prepared by a design firm. Estimated cost as shown is rounded and includes station furnishings and equipment, on-and off-site costs, fees, project administration and contingency allowance costs. Unit cost is derived from station cost estimate and is also rounded. Planned Station 245 is the same size as planned Station 244 as construction plans for Station 244 were originally intended for planned Station 245 site.

³ Additional equipment for personnel including protective clothing and breathing apparatus. Does not include equipment carried on apparatus, in vehicles or station furnishings. Based on estimated value of \$524,220/80,700 = \$6.50 per service population x 45,100 projected service population increase = \$293,200.

Source: Manteca Fire Department.

Fire Impact Fee Schedule and Projected Fee Revenue

This chapter presents the impact fee calculations based on the fire protection facility standard and cost estimates described in the previous section and the proposed fire impact fee schedule based on the various land use categories considered in this study. The suggested land uses are described in more detail in this chapter. The chapter also shows the estimated fire impact fee revenue based on the projected increase in residents and workers. Finally, this chapter shows the comparison between the projected impact fee revenue and the cost of planned facilities.

Land Use Types

To ensure a reasonable relationship between each fee and the type of development paying the fee, the proposed fee schedule distinguishes between different land use types. The land use types shown here are standard in impact fee studies except for the inclusion of a special land use category for nursing homes. This special category is suggested based on the results of the analysis of call data specific to the City of Manteca Fire Department (Fire Department). The land use types used in this analysis are defined below.

- **Single family:** Attached and detached one-family dwelling units and mobile homes;
- **Multi-family:** All attached single-family dwellings such as duplexes and condominiums, and apartments;
- **Commercial:** All commercial, retail, educational, and hotel/motel development;
- **Office:** All general, professional, and medical office development;
- **Industrial:** All manufacturing and warehousing development; and
- **Nursing Home:** Residential care facilities that provide skilled nursing services to residents.

Some developments may include more than one land use type, such as an industrial warehouse with living quarters (a live-work designation) or a planned unit development with both single and multi-family uses. In these cases the fee should be calculated separately based on the amount of each land use type. Similarly, the fees may be levied differently for uses such as graduated care facilities which include separate unassisted living units (charged at the multi-family fee) as well as skilled nursing facility beds (charged at the nursing home fee).

The City should also have the discretion to impose the fire facilities impact fee based on the specific aspects of a proposed development regardless of zoning. The general guideline to use is the probable occupant density of the development, either residents per dwelling unit or workers per building square foot. In such instances the fee imposed should be based on the land use type that most closely represents the probable occupant density of the development. However, some unusual land uses may present unique fire protection risks and may warrant additional review and consideration.

Proposed Fire Impact Fee Schedule

Table 8 shows the proposed fire impact fee schedule for the City of Manteca. The proposed fees are calculated based on the facility cost per capita standards shown in Table 6 multiplied by the occupant density for residential and nonresidential land uses shown in Table 2. Fees for residential uses are shown per unit and per square foot based on the average estimated square feet of new single family and multi-family residential units of 1,900 square feet and 1,100 square feet per unit, respectively, provided by the City of Manteca Community Development Department. Proposed nonresidential fees are shown both per 1,000 square feet and per square foot. As described above and in the service population discussion (page 4 and Table 1), Table 8 includes a special category of fees for nursing homes. It is intended that these fees be charged per bed rather than per unit or per 1,000 square feet.

Table 8: Manteca Proposed Fire Facilities Impact Fees

Land Use	A	B	C = A x B		D = 0.02 x C	E = C + D	F = E / 1,900 (SFD); G = E / 1,100 (MFD); F = E / 1,000 (nonres.)
	Costs per Capita	Density ¹	Cost/HU or Cost/1000 SF	Admin. Costs ²	Fee per Unit, 1,000 SF, or per Bed ³	Fee Per Square Foot ⁴	
<i>Residential</i>							
Single Family	\$ 158	2.99	\$ 472	\$ 9	\$ 481	\$ 0.25	
Multi-family	158	1.96	310	6	316	0.29	
<i>Nonresidential</i>							
Commercial	\$ 74	2.39	\$ 177	\$ 4	\$ 181	\$ 0.18	
Office	74	3.12	231	5	236	0.24	
Industrial	74	1.16	86	2	88	0.09	
<i>Special Land Uses</i>							
Nursing Homes	\$ 1,864	0.95	\$ 1,771	\$ 35	\$ 1,806	N/A	

¹ Persons per dwelling unit for residential land uses, employees per 1,000 square feet for nonresidential land uses, and nursing home residents per bed. Densities include adjustment for vacancy.

² Estimated at two percent of the total fee for administrative costs such as fee studies, collection, accounting, and annual reporting required by Calif. Govt. Code Section 66000 et seq.

³ Fees are shown per residential unit, per 1,000 square feet of nonresidential space, and per nursing home bed.

⁴ Per square foot fee based on average size of 1,900 square feet for new single family residential units or 1,100 square feet for new multi-family residential units; per 1,000 square feet of nonresidential construction. Per square foot fee not calculated for nursing homes.

Sources: United States Census Bureau, 2007-2009 American Community Survey, Tables B5024 and B25033; Natelson 2001 Employment Density Study prepared for Southern California Association of Governments; City of Manteca Community Development Department; Tables 2 and 6; Willdan Financial Services.

Table 8 also shows and administrative charge of two (2.0) percent. This charge is designed to reimburse the City for the administrative costs of impact fee program implementation including fee collection and processing, fund accounting, required reporting, and fee documentation. The City may impose the administrative charge or not at its discretion.

Projected Fire Impact Fee Revenue

Table 9 details the estimated fire impact fee revenue based on the projected increase in population and workers shown in Table 1. It is estimated that impact fee revenue will yield approximately \$7.13 million if projected growth in service population is realized and the fire impact fees are imposed at the maximum levels shown in this report.

Table 9 also compares the projected fire impact fee revenue to the planned fire projection facilities shown in Table 7. The total cost of currently planned facilities is approximately \$9.11 million. The existing fire fee fund balance is approximately \$1.5 million. Additionally, the Fire Department owns a piece of property known as the Carpenters' Hall, located at 1180 North Union Road. This property was appraised at a value of approximately \$830,000 in January 2010. At one time this property was earmarked for a fire station location. If needed, this asset could potentially be sold and the proceeds from the sale used to supplement revenue needed for new fire facilities not fully funded by impact fee revenue.

After subtracting projected fee revenue and the existing fire fee fund balance and the appraised value of the Carpenters' Hall asset, Table 9 shows a surplus of about \$343,000, or approximately four percent, of the planned facility costs. This assumes that there are no additional contingency costs associated with construction of the planned new fire stations. It also assumes that the Carpenters' Hall Asset can be sold for the full amount of the January 2010 appraised value, which may or may not be realized given the volatility of the current commercial real estate market. Table 9 shows that the Fire Department can reasonably assume it has adequate funding to fully fund the planned fire facilities, even if the Carpenters' Hall asset is sold for a value less than the January 2010 appraised value.

Table 9: Projected Impact Fee Revenue and Additional Funding Needed

Total Cost of Planned Facilities [A]	\$ 9,113,000
Value of Facility Standards per Capita [B]	\$ 158
Service Population Growth Within City (2011-2030) [C]	<u>45,100</u>
Total Projected Fire Facilities Impact Fee Revenue [D = B * C]	\$ 7,125,800
Fee Funding Deficit [E = A - D]	\$ 1,987,200
Less: Existing Fire Fee Fund Balance [F] ¹	1,500,000
Less: Carpenters' Hall Asset [G] ²	<u>830,000</u>
Additional Funding Needed [H = E - F - G]	\$ (342,800)

¹ Estimate of June 30, 2011 from the City of Manteca.

² Estimated value based on January 2010 appraisal of Carpenters' Hall land and building.

Sources: Tables 1, 6, and 7.

Program Implementation

Impact Fee Program Adoption Process

Impact fee program adoption procedures are found in the California Government Code section 66016. Adoption of a new or increased impact fee requires the City Council to follow certain procedures including holding a public meeting. Fourteen (14) day mailed notice of the meeting is required for those registering for such notification. Data, such as an impact fee report, must be made available at least ten (10) days prior to the public meeting. The City Attorney or other legal counsel should inform the City of any other procedural requirements as well as advice regarding adoption of an enabling ordinance and/or a resolution. After adoption there is a mandatory sixty (60)-day waiting period before the increased fees go into effect.

Identify Non-Fee Revenue Sources

The Fire Department's future fire facilities as currently planned slightly exceeds projected fire impact fee revenue. In order to fully fund planned facilities, the City may use alternative funding sources. Potential sources of revenue include existing or new general fund revenues or the use of existing or new taxes. Any new tax would require two-thirds voter approval, while new assessments or property-related charges would require majority property-owner approval.

Inflation Adjustment

Appropriate inflation indexes should be identified in the fee ordinance including an automatic adjustment to the fee annually. Separate indexes for land and construction costs should be used. Calculating the land cost index may require the periodic expertise of a real estate agent or property appraiser. The construction cost index can be based on the Fire Department's recent capital project experience or can be taken from any reputable source for general building construction, such as the Engineering News-Record. To calculate fee increases, each index should be weighed against its share of total planned facility costs represented by land or construction, as appropriate.

Reporting Requirements

The Fire Department should comply with the annual and five (5)-year reporting requirements of the Mitigation Fee Act. (See California Government Code Sections 66001 (d) and 66006 (b).) For facilities to be funded by a combination of impact fees and other revenues, identification of the source and amount of these non-fee revenues is essential. Identification of the timing of receipt of other revenues to fund the facilities is also important.

Programming Revenues and Projects with the CIP

The City should maintain a CIP that adequately plans for future infrastructure needs. The CIP should also allocate fee revenue to specific projects. The Fire Department can hold funds in a project account for longer than five (5) years if necessary to collect sufficient monies to complete a project, but the funds should be allocated to a specific project. The use of the CIP in this manner documents a reasonable relationship between new development and the use of those revenues.

The City may decide to alter the scope of the planned projects or to substitute new projects as long as those new projects continue to represent an expansion of the City's fire protection facilities. If the total cost of facilities varies significantly from the projected fire facilities fee revenue based on the existing facilities standards used in this study, the City should consider revising the fees accordingly.

Credits and Reimbursements

The City may issue fee credits to developers providing land or other fire protections facilities. Fee credits and reimbursements should be used sparingly and only at the discretion of the City and the Fire Department. Credits should not be issued for fire protection facilities that are not needed or are not located where desired by the Fire Department.

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 City 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 approving authorities of the City of Manteca (City) must:

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

The City wishes to ensure that new development pays for its fair share of fire protection facilities through the imposition of fire facilities impact fees. The purpose of the city fire facilities impact fee is to implement this policy by providing a funding source from new development for capital improvements to serve that development. The fee advances a legitimate interest of the City by assuring that new development within the Fire Department's service area is provided with adequate fire protection facilities and services.

Use of Fee Revenues

For the second finding the approving authorities of the City 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 City of Manteca boundaries. Facilities to be provided include:

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

Planned fire facilities are preliminarily identified in this report. Additional planning may be provided in the Fire Department's master 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 approving authority of the City 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 Fire Department will restrict fee revenues to the acquisition of land, construction of public buildings, and 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 department-wide network of fire protection facilities and services. Thus, there is a reasonable relationship between the use of fee revenues and the residential, nonresidential, and special use types of new development that will pay the fee.

Burden Relationship

For the fourth finding the approving authority of the City 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 (1) worker is weighted less than one (1) resident based on an analysis of the relative demand for fire facilities by land use type. One (1) nursing home resident, based on the same analysis, is weighted more than one (1) resident of single family and multi-family uses.

The need for the fee is based on the facility standards identified in this report and the growth in department-wide service population projected through 2030. Facilities standards represent the level of service that the Fire Department plans to provide its residents and businesses in 2030. Standards are based on the Fire Department's existing facilities allocated across the Fire Department's total service population in 2011.

See the Growth Projections section, for a description of how service population and growth projections are calculated. Facility standards are described in the Fire Protection Facilities section.

Proportionality

For the fifth finding the approving authorities of the City 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.

Appendix A

In order to estimate the relative demand on fire protection facilities of different categories of land uses, Willdan Financial Services examined call data provided by the Manteca Fire Department. The analysis is based on detailed call data from the Fire Department recorded using “Firehouse” database software, commonly used by fire departments and fire districts in California. The call data was provided for the period January 1, 2006 through January 18, 2010.

Call data was reported for 16,384 calls. The call data provided included destination, description of calls, and actions provided. Of the total calls, 787, or approximately five (5.0) percent of calls were either cancelled on route or otherwise were not adequately coded with destination, description or action provided data. The cancelled or calls that were not adequately coded were disregarded for the rest of the analysis.

From the description data Willdan Financial Services determined and assigned land uses by broad category, including residential, nonresidential, and nursing home. As noted in the text of the report, nursing homes were identified as a separate category for the impact fee analysis because of the significant number of calls to nursing homes identified in the call data (1,338 calls to nursing homes, or over eight [8.0] percent of all calls). From the actions provided data field, Willdan Financial Services determined if the calls were Emergency Medical Services (EMS), fire, or other. **Table A.1** shows the summary of the calls by type of action and by land use category.

Table A.1: Manteca Fire Department Call Data Summary

	Residential	Nonresidential	Nursing Home
<i>Calls</i>			
Fire	1,176	181	14
EMS	9,862	858	948
Other	2,152	299	107
Total Calls	13,190	1,338	1,069

Sources: Manteca Fire Department; Willdan Financial Services.

Table A.2 shows the equivalent number of calls per resident for household residents, nonresidential calls per worker, and nursing home calls per nursing home resident. Resident, nursing home resident, and worker estimates are the same as those used in the impact fee analysis. (See also the Growth Projections chapter and Table 1.) For this analysis the DOF estimate of residents in group quarters is used as the estimate of nursing home residents.

Table A.2 also shows the relative weighting of calls by worker and nursing home resident to household resident. Household residents are weighted at 1.0. Based on the call data analysis, workers are weighted at 0.47 compared to household residents. Nursing home residents are weighted significantly higher, at 11.80 calls per nursing home resident compared to household resident.

Table A.2: Manteca Fire Relative Service Demand Factors

Fire Service Demand Factors		Residential	Nonresidential	Nursing Home
Total Number of Calls	<i>A</i>	13,190	1,338	1,069
Residents or Workers ¹	<i>B</i>	67,933	15,084	477
Per Capita Fire Service Demand	$C = B / A$	0.19	0.09	2.24
Relative Demand Factors	$D = B / 0.19$	1.00	0.47	11.80

¹ Assumes 477 nursing home/residential care residents from 2010 California State Department of Finance E-5 report of "group quarters" residents.

Sources: Manteca Fire Department; Table A.1; Willdan Financial Services.

Appendix B

The City of Manteca requested that a survey be conducted of the current fire facilities impact fees for five (5) comparison cities. Because one of the cities did not charge fire facilities impact fees in any manner, a sixth city was also surveyed. The survey included the following cities: Lodi, Turlock, Woodland, Stockton, Modesto and Tracy.

Table B.1 shows the survey results. The survey was conducted during the period May 2, 2011 to May 13, 2011 and the fee amounts shown reflect the most current data available at that time. Note that the cities of Woodland and Modesto had fees for an additional “service or other” category, whereas the other cities surveyed had nonresidential categories for retail/commercial, office, and industrial warehouse only. It is assumed that the retail/commercial category most likely includes land uses otherwise included in the “service or other” category if not specified.

Table B.1: Survey of Fire Facilities Fees in Comparison Cities

City	Single Family Residential	Multi-Family Residential	Retail / Commercial	Service or Other ¹	Office	Industrial/ Warehouse
Current Manteca ²	\$ 570	\$ 330	\$ 0.13	See Retail	\$ 0.13	\$ 0.03
Proposed Manteca ³	481	316	0.18	See Retail	0.24	0.09
Lodi ⁴	-	-	-	-	-	-
Turlock	1,035	804	0.17	See Retail	0.29	0.08
Woodland	1,162	871	0.78	0.73	0.84	0.40
Stockton	781	658	0.06	See Retail	0.12	0.05
Modesto	363	164	0.08	0.13	0.13	0.05
Tracy ⁵	See notes.	See notes.	See notes.	See notes.	See notes.	See notes.

Note: Current impact fees based on research conducted May 2 - May 13, 2011.

¹ The "Other" category for the City of Modesto includes hospital, daycare, church and nursing home land uses.

² Based on a residential fee per square foot of \$0.30 and average size of 1,900 square feet for single family units and 1,100 square feet for multi-family units.

³ Based on a residential fee per square foot of \$0.25 and average size of 1,900 square feet for single family units and a per square foot fee of \$0.29 and 1,100 square feet for multi-family units. Multi-family units in Manteca are slightly more densely occupied than single family units based on analysis of United States Census data and average per square foot estimates from the City of Manteca. Residential fee calculations per unit may differ slightly due to rounding.

⁴ The City of Lodi does not impose impact fees for fire facilities.

⁵ The City of Tracy does not impose separate development impact fees for fire facilities. The City of Tracy does impose development impact fees for Public Buildings and Services which may include fees used for the construction of fire facilities.

Sources: City of Manteca, City of Lodi, City of Turlock, City of Woodland, City of Stockton, City of Modesto, City of Tracy, Willdan Financial Services.