



STAFF REPORT

Fire Department

DATE: May 2, 2023

TO: Honorable Mayor and City Council

FROM: Chen Suen, Fire Chief
By: Maria Lourdes Taylor, Senior Management Analyst

SUBJECT: RESOLUTION NO. 7492 ESTABLISHING A FIRE PROTECTION FACILITIES DEVELOPMENT IMPACT FEE

CEQA: Not a Project

Recommendation: Adopt

SUMMARY

On December 13, 2018, the Citizen's Financial Advisory Committee ("CFAC") published their final report detailing its recommendations to the City Council for cost containment and/or revenue enhancements. The report noted a study conducted by FM3 Research, in which Arcadia residents identified, among other public safety priorities, that maintaining local fire protection and paramedic services were vital to the community. As the City continues to experience growth and new development, it must plan for the expansion of facilities to add capacity to meet the needs of new development. Thus, the primary objective of implementing a Fire Protection Facilities Development Impact Fee (fire impact fee) is to ease the financial burden associated with increased service levels resulting from new development: the fire impact fee would help fund the infrastructure and capital costs associated with this growth and alleviate the burden on other taxpayers.

Therefore, it is recommended that the City Council conduct a public hearing regarding the establishment of a Fire Protection Facilities Development Impact Fee and adopt Resolution No. 7492 establishing a Fire Protection Facilities Development Impact Fee.

BACKGROUND

The *Mitigation Fee Act*, contained in the *California Government Code* Sections 66000 *et seq.*, allows the City to establish development impact fees for public facilities projects that will accommodate future growth if there is a reasonable relationship between new development and the use of fee revenues. The City currently does not charge impact fees to fund fire protection facilities. With the City forecasted to experience moderate growth over the next 20 years, particularly in the downtown core, there will be an increase in demand for public services and the public facilities required to deliver them.

On December 13, 2018, the Citizen's Financial Advisory Committee ("CFAC") published their final report detailing its recommendations to the City Council for cost containment and/or revenue enhancements. The report noted a study conducted by FM3 Research, in which Arcadia residents identified, among other public safety priorities, that maintaining local fire protection and paramedic services were vital to the community. As the City continues to experience growth and new development, it must plan for the expansion of facilities to add capacity to meet the needs of new development.

Thus, the primary objective of implementing a Fire Protection Facilities Development Impact Fee (fire impact fee) is to ease the financial burden associated with increased service levels resulting from new development: the fire impact fee would help fund the infrastructure, capital costs, and related equipment associated with this growth within the City of Arcadia and alleviate the burden on other taxpayers. This means that the City plans to expand facilities to add capacity and purchase equipment to meet the needs of new development, as opposed to providing maintenance on existing facilities. Using a Capital Improvement Plan and equipment inventories can help the City identify and direct its fee revenue to public facilities and equipment projects that will accommodate future growth. By programming fee revenues to specific capital and equipment projects, the City can help ensure a reasonable relationship between new development and the use of fee revenues as required by the Mitigation Fee Act.

Comparatively, there are other related impact fees that are currently in place wherein new development pays a fair share of the higher expenses that are incurred against the impacts to their facilities or level of services. For instance, the City's Park Facilities Impact Fee assesses \$2.85 per square foot for single-family projects and \$3.73 per square foot for multi-family projects. The Arcadia Unified School District charges a fee of \$4.79 per square foot for residential projects, and \$0.78 per square foot for commercial and industrial projects. Also, Transportation Impact Fees are calculated on a trip basis and the use of the new project as related to traffic, which is \$1.00 per square foot for both residential and nonresidential occupancies.

DISCUSSION

During Fiscal Year 2022-23, Willdan Financial Services was hired to conduct a Fire Protection Facilities Development Impact Fee Study (*see attachment, Exhibit "A"*) within the guidelines of the Mitigation Fee Act. The purpose of this study was to determine the maximum justified development impact fee (or a fire impact fee) to impose on new development to maintain the City's existing facilities standards for fire protection facilities.

Based on projected growth, the fee analysis examined the City's existing facilities, future facility needs, and projected service demands. The methodology used in supporting the proposed impact fee was based on the following six considerations:

- **Estimate existing development and future growth:** Identify a base year for existing development and a growth forecast that reflects the increased demand for public facilities;
- **Identify facility standards:** Determine the facility standards used to plan for new and expanded facilities;
- **Determine the facilities required to serve new development:** Estimate the total amount of planned facilities, and identify the share required to accommodate new development;
- **Determine the cost of facilities required to serve new development:** Estimate the total amount and the share of the cost of planned facilities required to accommodate new development;
- **Calculate fee schedule:** Allocate the facilities' costs per unit of new development to calculate the development impact fee schedule; and
- **Identify alternative funding requirements:** Determine if any non-fee funding is required to complete projects.

Preliminary Planned Facilities

A preliminary list of known facility projects to accommodate future service demands is identified in the attached fee study report, totaling \$3,870,000. The table below delineates these capital projects. However, due to the continued increase in the cost of materials, the cost to purchase the ambulance has increased by \$251,600 or \$731,600 since the writing of this report. Thus, the total preliminary project has been updated, as listed below, to \$4,121,600. This change does not affect the calculation of the proposed fire impact fee.

Preliminary Fire Protection Facilities Capital Improvement Plan

DESCRIPTION	TOTAL
Shed For Vehicle Storage	\$ 140,000
Station 105 Reconfiguration	\$ 270,000
Station 106 Reconfiguration	\$ 290,000
Station 107 Reconfiguration	\$ 2,650,000
Fire Prevention Vehicle	\$ 40,000
Ambulance*	\$ 731,600
Total Project Cost	\$ 4,121,600

*Apparatus estimates were obtained during late 2022 and some items might have increased in cost since the writing of this report.

Future facilities to serve development growth will be identified through the City's annual Capital Improvement and/or Equipment Acquisition Budget Plan process, and/or possible completion of a new facility master plan.

Methodology Used in Calculating the Proposed Fire Impact Fee:

The existing inventory method is used to calculate the impact fees. The City of Arcadia is currently served by three (3) fire stations with their accompanying vehicles, apparatus, and equipment. The existing inventory method allocates costs based on the ratio of existing facilities to demand from existing development, as follows:

$$\frac{\text{Current Value of Existing Facilities}}{\text{Existing Development Demand}} = \$/\text{unit of demand}$$

Under this method, new development will fund the expansion of facilities at the same standard currently serving existing development. This method is often used when a long-range plan for new facilities is not available. Only the initial facilities to be funded with fees are identified in the fee study. Future facilities to serve growth are identified through the annual Capital Improvement and/or Equipment Acquisition Budget plan and process.

Growth projections are used as indicators of demand to determine facility needs and allocate those needs between existing and new development. The projection of residents is based on data from the Southern California Association of Governments (SCAG) Connect SoCal Demographics and Growth Forecast (2020). Fire protection facilities serve both residents and businesses. Therefore, demand for services and associated facilities is based on the City's service population including residents and workers. It is reasonable to assume that residential and nonresidential locations have varying amounts of demand for these services.

Maximum Allowed Fire Impact Fee Schedule

Table A below shows the maximum justified fire protection facilities fee schedule (fire impact fee) that the City can adopt.

Table A

Land Use	Fee per Square Foot
Residential	\$ 0.35
Non-Residential	
Commercial	\$ 1.91
Office	\$ 2.92
Industrial	\$ 1.04

For remodels or demolitions of residential units, a resident would only be charged for the new net livable square footage. For example, a 2,500 square foot single family home that would be demolished/remodeled and be rebuilt to 5,000 square feet would only be charged for the additional 2,500 square feet added to the home at \$0.35 per square foot, or a total of \$875 in fire impact fee.

Basically, the proposed fees above are calculated by taking the cost per capita and converting that amount to a fee per unit of new development. Table B below shows how the study arrived at the per capita cost (calculation of the existing per capita investment in fire protection by the existing service population).

Table B

Fire Protection Facilities – Existing Standard	
Existing Fire Facilities	\$50,314,547
Existing Service Population	102,572
Facility Standard Per Capita ¹	\$ 491
Cost per Resident	\$ 491
Cost per Worker ²	\$ 879

¹The standard is calculated by dividing the replacement cost of existing facilities by the existing service population.

²The value per capita is multiplied by the worker weighing factor of 0.65 to determine the existing facility standard per worker. The use of a worker demand factor in Arcadia is based on a comprehensive analysis of fire department incidents, categorized by land use, in the City from 2019 to 2021. Further explanation is explained in the attached study.

Finally, Table C outlines the breakdown of how the maximum justified fire protection facilities impact fee was determined for both land use types: residential and non-residential. The residential density figure below was derived from the U.S. Census Bureau, 2021 American Community Survey; and the nonresidential density was from the Institute of Traffic Engineers (“ITE”) Trip Generation Manual, which is a common source of estimating density for fire impact studies.

Table C
Maximum Justified Fire Protection Facilities Impact Fee Schedule

Land Use	A	B	C = A x B		D = C x 0.02	E = C + D	E / Average
	Cost Per Capita	Density	Base Fee ¹	Admin Charge ^{1, 2}		Total Fee ¹	Fee per Sq. Ft. ³
<u>Residential Dwelling Unit</u>	\$ 491	2.66	\$ 1,306	\$ 26		\$ 1,332	\$ 0.35
<u>Nonresidential - Fee per 1,000 Sq. Ft.</u>							
Commercial	\$ 879	2.12	\$ 1,867	\$ 37		\$ 1,905	\$ 1.91
Office	879	3.26	2,861	57		2,919	2.92
Industrial	879	1.16	1,018	20		1,038	1.04

¹ Fee per average sized dwelling unit (residential) or per 1,000 square feet (nonresidential).

² Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

³ Assumes an average of 3,836 square feet per dwelling unit in Arcadia, based on an analysis of building permits from 2019 to 2021.

Revenue Forecast from Today through Year 2045

It is estimated that the total fees collected will be \$11,905,300 over the next 22 years based on anticipated development trends. Referencing the total figure of \$4,121,600 from the "Preliminary Fire Protection Facilities Capital Improvement Plan" table above, a balance of \$7,783,700 would be available for unidentified additional facilities. According to the Mitigation Fee Act, the fees collected could only be used for capital or equipment expenditures related to expanding services associated with new developments. The funds could not be used to address existing service levels or ongoing operating expenditures.

The implementation of this new impact fee would ensure that new development would pay their fair share of costs associated with the increased level of services and demands resulting from such growth and development. Proposed Resolution No. 7492 Establishing a Fire Protection Facilities Development Impact Fee (*see attachment, Exhibit "B"*) satisfies all requirements of the Fee Mitigation Act.

Upon adoption of the Fire Protection Facilities Impact Fee, this new fee would be collected when building permits are issued, in addition to other existing development fees, such as plan check fees, permits fees, school district fees, park fees, and transportation fees.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute a project under the California Environmental Quality Act ("CEQA"), and it can be seen with certainty that it will have no impact on the environment. Thus, this matter is exempt under CEQA.

PUBLIC COMMENTS/NOTICE

Pursuant to *California Government Code* Section 66016.5(a)(7), a Notice of Publication for the rate study must be published at least 30 days prior to the public hearing on this item. On April 3, 2023, the notice was posted on the City's website and at the following public facilities: City Council Chambers, City Clerk's Office, Fire Headquarters Station 105, and Arcadia Public Library. Additionally, the adoption of the actual Fire Protection Facilities Development Impact Fee requires public noticing for 10 days before the public hearing. The 1st Notice of Public Hearing was posted on April 21, 2023, and the 2nd Notice of Public Hearing was published April 27, 2023, at previously mentioned public facilities and via the City's website. As of writing this report, no public comments have been received by staff regarding the proposed fire impact fee study.

A Fire Protection Facilities Development Impact Fee Nexus Study Workshop was also held on Thursday, April 13, 2023, at 3:30 p.m. at Fire Station 106. Several prominent stakeholders in the development industry were invited including, but were not limited to, representatives from the Builders' Industry Association, Assen Homes, Rodeo Construction, WYF Architecture, HC Designs, and a few others. In attendance was Fire Department staff, a Willdan representative, and Development Services staff. No comments of note have been submitted in response to this workshop.

FISCAL IMPACT

A Fire Protection Facilities Impact Fee will ensure that new development pays for the infrastructure and capital costs associated from its growth. Without this impact fee, the City's ability to maintain the City's existing level of services and facilities' standards for fire protection may be threatened.

During the fee collection period through 2045, it is estimated that the total generated revenues from this impact fee would be approximately \$11,905,300. This figure could vary substantially depending on the amount of additional building activities happen over the next 20 years in the community.

RECOMMENDATION

It is recommended that the City Council determine that this action does not constitute a project and is, therefore, exempt under the California Environmental Quality Act

Adopt Resolution No. 7492
Fire Protection Facilities Development Impact Fee
May 2, 2023
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("CEQA"); and adopt Resolution No. 7492 establishing a fire protection facilities development impact fee.

Approved:


Dominic Lazzaretto
City Manager

Attachments: Exhibit "A" Fire Protection Facilities Development Impact Fee Nexus Study
Exhibit "B" Resolution No. 7492

CITY OF ARCADIA

FIRE PROTECTION FACILITIES DEVELOPMENT IMPACT FEE NEXUS STUDY

Final Draft
MARCH 14, 2023



Oakland Office

66 Franklin Street
Suite 300
Oakland, CA 94607
Tel: (510) 832-0899

Corporate Office

27368 Via Industria
Suite 200
Temecula, CA 92590
Tel: (800) 755-6864
Fax: (888) 326-6864

Other Regional Offices

Aurora, CO
Orlando, FL
Phoenix, AZ
Plano, TX
Seattle, WA
Washington, DC

www.willdan.com

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Executive Summary

This report summarizes an analysis of the need for fire protection facilities and capital improvements to support future development within the City of Arcadia through 2045. It is the City's intent that the costs representing future development's share of these facilities and improvements be imposed on that development in the form of a development impact fee. The facilities and improvements included in this analysis are classified as fire protection facilities.

Background and Study Objectives

The primary policy objective of a development impact fee program is to ensure that new development pays the capital costs associated with growth. The primary purpose of this report is to complete a comprehensive fee study and determine the maximum justified development impact fee levels to impose on new development to maintain the City's existing facilities standards for fire protection facilities. This means that the City plans to expand facilities to add capacity to meet the needs of new development, as opposed to providing maintenance on existing facilities. The City should review and update this report and the calculated fees at least every eight years as required by law to incorporate the best available information.

The City imposes development impact fees under authority granted by the *Mitigation Fee Act (Act)*, contained in *California Government Code* Sections 66000 *et seq.* This report provides the necessary findings required by the Act for adoption of the fire protection facilities development impact fees presented in the fee schedules contained herein.

All development impact fee-funded capital projects should be programmed through the City's Capital Improvement Plan (CIP). Using a CIP can help the City identify and direct its fee revenue to public facilities projects that will accommodate future growth. By programming fee revenues to specific capital projects, the City can help ensure a reasonable relationship between new development and the use of fee revenues as required by the *Mitigation Fee Act*.

Facility Standards and Costs of Growth

This fee analysis uses the **existing inventory** approach to estimate future facility needs and costs associated with new development. This approach is based on a facility standard derived from the City's existing level of facilities and existing demand for services. This approach results in no facility deficiencies attributable to existing development. Only the initial facilities to be funded with fees are identified in the fee study. Future facilities to serve growth will be identified through the City's annual capital improvement plan and budget process and/or completion of a new facility master plan.

Fee Schedule Summary

Table E.1 summarizes the schedule of maximum justified fire protection facilities fees based on the analysis contained in this report. The City may adopt any fee up to those shown in the table.

**Table E.1: Maximum Justified Fire
Protection Facilities Impact Fee Schedule**

Land Use	Fee per Square Foot	
<i><u>Residential Dwelling Units</u></i>	\$	0.35
<i><u>Nonresidential</u></i>		
Commercial	\$	1.91
Office		2.92
Industrial		1.04

Source: Table 3.9.

1. Introduction

This report presents an analysis of the need for fire protection facilities to accommodate new development in the City of Arcadia. This chapter explains the study approach and summarizes results under the following sections:

- ♦ Background and Study Objectives
- ♦ Public Facilities Financing in California
- ♦ Study Methodology
- ♦ Impact Fees for Accessory Dwelling Units
- ♦ Organization of the Report

Background and Study Objectives

The primary policy objective of a development impact fee program is to ensure that new development pays the capital costs associated with growth. The primary purpose of this report is to determine the appropriate development impact fee levels to impose on new development to maintain the City's facilities standards for fire protection facilities. The City should review and update this report and the calculated fees at least once every eight years to incorporate the best available information.

The City imposes development impact fees under authority granted by the *Mitigation Fee Act (Act)*, contained in *California Government Code Sections 66000 et seq.* Currently, the City of Arcadia does not charge impact fees to fund fire protection facilities. This report provides the necessary findings required by the Act for adoption the fire protection facilities development impact fees presented in the fee schedules contained herein.

The City of Arcadia is forecast to experience moderate growth through this study's planning horizon of 2045. This growth will create an increase in demand for public services and the public facilities required to deliver them. The City has decided to use a development impact fee program to ensure that new development funds the share of facility costs associated with growth. This report makes use of the most current available growth forecasts and facility plans to calculate a development impact fee schedule for fire protection facilities, to fund new development's fair share of future fire facilities.

Public Facilities Financing in California

The changing fiscal landscape in California during the past 45 years has steadily undercut the financial capacity of local governments to fund infrastructure. Three dominant trends stand out:

- The passage of a string of tax limitation measures, starting with Proposition 13 in 1978 and continuing through the passage of Proposition 218 in 1996;
- Declining popular support for bond measures to finance infrastructure for the next generation of residents and businesses; and
- Steep reductions in federal and state assistance.

Faced with these trends, many cities and counties have adopted a policy of "growth pays its own way." This policy shifts the burden of funding infrastructure expansion from existing taxpayers onto new development. This funding shift has been accomplished primarily through the imposition of assessments, special taxes, and development impact fees also known as public facilities fees.

Assessments and special taxes require the approval of property owners and are appropriate when the funded facilities are directly related to the developing property. Development fees, on the other hand, are an appropriate funding source for facilities that benefit all development jurisdiction-wide. Development fees need only a majority vote of the legislative body for adoption.

Study Methodology

Development impact fees are calculated to fund the cost of facilities required to accommodate growth. The six steps followed in this development impact fee study include:

1. **Estimate existing development and future growth:** Identify a base year for existing development and a growth forecast that reflects increased demand for public facilities;
2. **Identify facility standards:** Determine the facility standards used to plan for new and expanded facilities;
3. **Determine facilities required to serve new development:** Estimate the total amount of planned facilities, and identify the share required to accommodate new development;
4. **Determine the cost of facilities required to serve new development:** Estimate the total amount and the share of the cost of planned facilities required to accommodate new development;
5. **Calculate fee schedule:** Allocate facilities costs per unit of new development to calculate the development impact fee schedule; and
6. **Identify alternative funding requirements:** Determine if any non-fee funding is required to complete projects.

The key public policy issue in development impact fee studies is the identification of facility standards (step #2, above). Facility standards document a reasonable relationship between new development and the need for new facilities. Standards ensure that new development does not fund deficiencies associated with existing development.

Types of Facility Standards

There are three separate components of facility standards:

- ♦ *Demand standards* determine the amount of facilities required to accommodate growth, for example, park acres per thousand residents, square feet of library space per capita, or gallons of water per day. Demand standards may also reflect a level of service such as the vehicle volume-to-capacity (V/C) ratio used in traffic planning.
- ♦ *Design standards* determine how a facility should be designed to meet expected demand, for example, park improvement requirements and technology infrastructure for City office space. Design standards are typically not explicitly evaluated as part of an impact fee analysis but can have a significant impact on the cost of facilities. Our approach incorporates the cost of planned facilities built to satisfy the City's facility design standards.
- ♦ *Cost standards* are an alternate method for determining the amount of facilities required to accommodate growth based on facility costs per unit of demand. *Cost standards* are useful when demand standards were not explicitly developed for the facility planning process. *Cost standards* also enable different types of facilities to be analyzed based on a single measure (cost or value) and are useful when different facilities are funded by a single fee program. Examples include facility costs per capita, cost per vehicle trip, or cost per gallon of water per day.

New Development Facility Needs and Costs

A number of approaches are used to identify facility needs and costs to serve new development. This is often a two-step process: (1) identify total facility needs, and (2) allocate to new development its fair share of those needs.

There are three common methods for determining new development's fair share of planned facilities costs: the **existing inventory method**, the **planned facilities method**, and the **system plan method**. The formula used by each approach and the advantages and disadvantages of each method is summarized below:

Existing Inventory Method

The existing inventory method allocates costs based on the ratio of existing facilities to demand from existing development as follows:

$$\frac{\text{Current Value of Existing Facilities}}{\text{Existing Development Demand}} = \$/\text{unit of demand}$$

Under this method new development will fund the expansion of facilities at the same standard currently serving existing development. By definition the existing inventory method results in no facility deficiencies attributable to existing development. This method is often used when a long-range plan for new facilities is not available. Only the initial facilities to be funded with fees are identified in the fee study. Future facilities to serve growth are identified through an annual capital improvement plan and budget process, possibly after completion of a new facility master plan. **This approach is used to calculate the impact fees in this report.**

Planned Facilities Method

The planned facilities method allocates costs based on the ratio of planned facility costs to demand from new development as follows:

$$\frac{\text{Cost of Planned Facilities}}{\text{New Development Demand}} = \$/\text{unit of demand}$$

This method is appropriate when planned facilities will entirely serve new development, or when a fair share allocation of planned facilities to new development can be estimated. An example of the former is a Wastewater trunk line extension to a previously undeveloped area. An example of the latter is a portion of a roadway that has been identified as necessary to mitigate the impact from new development through traffic modeling analysis. Under this method new development will fund the expansion of facilities at the standards used in the applicable planning documents. This approach is not used in this report.

System Plan Method

This method calculates the fee based on the value of existing facilities plus the cost of planned facilities, divided by demand from existing plus new development:

$$\frac{\text{Value of Existing Facilities} + \text{Cost of Planned Facilities}}{\text{Existing} + \text{New Development Demand}} = \$/\text{unit of demand}$$

This method is useful when planned facilities need to be analyzed as part of a system that benefits both existing and new development. It is difficult, for example, to allocate a new fire station solely to new development when that station will operate as part of an integrated system of fire stations that together achieve the desired level of service.

The system plan method ensures that new development does not pay for existing deficiencies. Often facility standards based on policies such as those found in General Plans are higher than the existing facility standards. This method enables the calculation of the existing deficiency required to bring existing development up to the policy-based standard. The local agency must

secure non-fee funding for that portion of planned facilities required to correct the deficiency to ensure that new development receives the level of service funded by the impact fee. This approach is not used in this report.

Impact Fees for Accessory Dwelling Units

The California State Legislature recently amended requirements on local agencies for the imposition of development impact fees on accessory dwelling units (ADU) with Assembly Bill AB 68 in 2020. The amendment to California Government Code §65852.2(f)(2) stipulates that local agencies may not impose any impact fees on ADU less than 750 square feet. ADU greater than 750 square feet can be charged impact fees in proportion to the size of the primary dwelling unit.

Calculating Impact Fees for Accessory Dwelling Units

For ADUs greater than 750 square feet, impact fees can be charged as a percentage of the single family fire protection facilities impact fee. The formula is:

$$\frac{ADU \text{ Square Feet}}{Primary \text{ Residence Square Feet}} \times Single \text{ Family Impact Fee} = ADU \text{ Impact Fee}$$

In the case of an 800 square foot ADU and a 1,600 square foot primary residence, the fire protection facilities impact fees would be 50 percent (800 square feet / 1,600 square feet = 50%) of the fee calculated for the primary dwelling unit on the parcel.

Organization of the Report

The determination of a development impact fee begins with the selection of a planning horizon and development of projections for population and employment. These projections are used throughout the analysis and are summarized in Chapter 2.

Chapter 3 is devoted to documenting the maximum justified development impact fees for fire protection facilities.

Chapter 4 describes how this report complies with the recently implemented requirements of AB602.

Chapter 5 details the procedures that the City must follow when implementing a development impact fee program. Impact fee program adoption procedures are found in *California Government Code Section 66016*.

The five statutory findings required for adoption of the proposed development impact fees in accordance with the *Mitigation Fee Act (codified in California Government Code Sections 66000 through 66025)* are summarized in Chapter 6.

2. Demographic Assumptions

Growth projections are used as indicators of demand to determine facility needs and allocate those needs between existing and new development. This chapter explains the source for the growth projections used in this study based on a 2022 base year and a planning horizon of 2045.

Estimates of existing development and projections of future growth are critical assumptions used throughout this report. These estimates are used as follows:

- The estimate of existing development in 2022 is used as an indicator of existing facility demand and to determine existing facility standards.
- The estimate of total development at the 2045 planning horizon is used as an indicator of future demand to determine total facilities needed to accommodate growth.
- Estimates of growth from 2022 through 2045 are used to (1) allocate facility costs between new development and existing development, and (2) estimate total fee revenues.

The demand for public facilities is based on the service population, dwelling units or nonresidential development creating the need for the facilities.

Land Use Types

To ensure a reasonable relationship between each fee and the type of development paying the fee, growth projections distinguish between different land use classifications. The land-use types used in this analysis are defined below.

- ♦ **Residential Dwelling Units:** All residential dwelling units including detached and attached one-unit dwellings (Includes single family homes and townhomes) and attached multifamily dwellings including duplexes and condominiums. Fees charged per square foot.
- ♦ **Commercial:** All commercial, retail, educational, and hotel/motel development.
- ♦ **Office:** All general, professional, and medical office development.
- ♦ **Industrial:** All manufacturing and warehouse development.

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 multifamily uses. In these cases, the development impact fees would be calculated separately for each land-use type.

The City should have the discretion to impose the development impact fee based on the specific aspects of a proposed development regardless of the zoning designation where the project will be located. Should the project be located in an area that is not zoned as any of the above stated land use types, the guideline to use is the probable occupant density of the development, either residents per dwelling unit or workers per building square foot, to determine which fee will be charged. The fee imposed should be based on the land use type that most closely represents the probable occupant density of the development.

Existing and Future Development

Table 2.1 shows the estimated number of residents, dwelling units, employees, and building square feet in Arcadia, both in 2022 and in 2045. The base year estimate of residents comes from the California Department of Finance. The projection of residents is based on data from the Southern California Association of Governments (SCAG) Connect SoCal Demographics and Growth Forecast (2020).

Base year employees were estimated based on the latest data from the US Census' OnTheMap application and exclude local government (public administration) employees.¹ Total projected workers were also identified in the SCAG Connect SoCal Demographics and Growth Forecast.

Table 2.1: Growth Forecasts

	Residents ¹	Workers ²
Existing (2022)	55,934	26,055
New Development (2022-2045)	6,266	10,045
Total (2045)	62,200	36,100

¹ Current population from California Department of Finance. Projection in 2045 from the SCAG Connect SoCal Demographics and Growth Forecast.

² Current estimates of primary jobs from the US Census' Bureau's OnTheMap Application. Estimated by adjusting 2019 estimate to 2022 by annual average growth rate needed to meet SCAG 2045 projection. Excludes public administration employees. Projection in 2045 from the SCAG Connect SoCal Demographics and Growth Forecast.

Sources: California Department of Finance, Table E-5, 2022; SCAG Connect SoCal Demographics and Growth Forecast, 2020; U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (2019); Willdan Financial Services.

Service Population

Different types of new development use public facilities at different rates in relation to each other, depending on the services provided. In Chapter 3, a specific service population is identified for fire protection facilities to estimate total demand for these types of facilities. The service population weights residential land use types against nonresidential land uses based on the relative demand for services between residents and workers.

Occupant Densities

Occupant densities ensure a reasonable relationship between the increase in service population and the amount of the fee. Developers pay the fee based on the number of additional housing units or building square feet of non-residential development, so the fee schedule must convert

¹ Local government employment is excluded from estimates of demand for fire protection services and facilities because local government workers are only in the City to meet the demand for City services from residents and other workers in the City. Consequently, demand for fire protection services from local government workers, is actually driven by City residents and workers, not from local government itself.

service population estimates to these measures of project size. This conversion is done with average occupant density factors by land use type, shown in **Table 2.2**.

The residential occupant density factor is derived from the U.S Census Bureau, 2021 American Community Survey (ACS) **Tables B25024** and **B25033**. **Table B25024** provides total housing units by land use designation. **Table B25033** documents the total population residing in occupied housing. Total residents are divided by total units to estimate average persons per dwelling unit Citywide.

The nonresidential occupancy factors are derived from the latest data from the Institute of Traffic Engineers (ITE) Trip Generation Manual, 11th Edition. The City does not track nonresidential occupancy statistics, so the ITE data was used instead. Aside from its typical use in trip generation studies, the ITE data is a common source for estimating nonresidential occupant density for nexus studies, as it draws from a large, national, detailed database of land uses, trip generation, site characteristics and employment counts.

Table 2.2: Occupancy Density Assumptions

<u>Residential Dwelling Unit</u>	2.66	Persons per dwelling unit
<u>Nonresidential</u>		
Commercial	2.12	Employees per 1,000 square feet
Office	3.26	Employees per 1,000 square feet
Industrial	1.16	Employees per 1,000 square feet

Sources: U.S. Census Bureau, 2021 American Community Survey 5-Year Estimates, Tables B25024 and B25033; ITE Trip Generation Manual, 11th Edition; Willdan Financial Services.

3. Nexus Analysis

The purpose of the fee is to ensure that new development funds its fair share of fire protection facilities. A fee schedule is presented based on the existing standard of fire protection facilities in the City of Arcadia facilities to ensure that new development provides adequate funding to meet its needs.

Service Population

Fire protection facilities serve both residents and businesses. Therefore, demand for services and associated facilities is based on the City's service population including residents and workers.

Table 3.1: Service Population shows the estimated service population in 2022 and 2045. It is reasonable to assume that residential and nonresidential locations have varying amounts of demand for these services. To calculate the service population for fire protection facilities, residents are weighted at 1.00.

The use of a worker demand factor of 1.79 for workers in Arcadia is based on an analysis of fire department incidents, categorized by land use, in the City from 2019 to 2021. Average annual incidents at residential land uses were divided by the average residential population from 2019 to 2021 to yield an average annual incidents-per-capita factor. Dividing average annual incidents at nonresidential areas by average annual employment in the City yielded a comparable per-capita factor. The ratio of the worker per capita factor to the resident per capita factor is the worker demand factor used in the analysis. See **Appendix Table A.1** for a detailed worker weighting analysis.

Table 3.1: Service Population

	A	B	C	D = A + (B x C)
	Residents	Workers	Worker Demand Factor ¹	Service Population
Existing (2022)	55,934	26,055	1.79	102,572
New Development (2022-2045)	6,266	10,045	1.79	24,247
Total Development (2045)	62,200	36,100	1.79	126,819

¹ See Appendix Table A.1 for calculation of worker demand factor.

Sources: California Department of Finance, Table E-5, 2022; SCAG Connect SoCal Demographics and Growth Forecast, 2020; U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (2019); Appendix Table A.1, Willdan Financial Services.

Facility Inventories, Plans & Standards

This study uses an existing standard approach to calculate fees for fire protection facilities. The City of Arcadia is currently served by three fire stations, accompanying vehicles, apparatus, and equipment. As more people live and work in Arcadia, new development will create additional demand for fire protection services and the facilities needed to deliver those services. The existing standard approach maintains the existing facility standards in terms of quantity of facilities to service population as new development adds demand for facilities.

Table 3.2 shows the existing building and land values by facility. The unit cost per acre of land is based on an analysis of sales comparisons of undeveloped land in Arcadia since 2020 as reported by CoStar. The assumed station replacement cost of \$700 per square foot is conservatively estimated based on Willdan's experience with other clients in Southern California. Storage tank and storage garage costs were sourced from the Fire Department's asset inventory.

Table 3.2: Existing Facility Inventory - Land and Buildings

	Amount	Unit Cost	Replacement Cost
<i><u>Fire Station #105 / Headquarters</u></i>			
Land	0.93 acres	\$ 4,472,400	\$ 4,159,332
Fuel Storage Tank	1.00 tank	\$ 79,554	79,554
Building ¹	22,457 sq. ft.	700	15,719,900
Subtotal			\$ 19,958,786
<i><u>Fire Station #106</u></i>			
Land	0.65 acres	\$ 4,472,400	\$ 2,907,676
Building ¹	12,557 sq. ft.	700	8,789,900
Subtotal			\$ 11,697,576
<i><u>West Orange Fire Station #107</u></i>			
Land	0.62 acres	\$ 4,472,400	\$ 2,772,888
Building ¹	4,100 sq. ft.	700	2,870,000
Storage Garage	448	119	53,117
Subtotal			\$ 5,696,005
Total Value Existing Facilities			\$ 37,352,367

¹ Estimated replacement cost per square foot based on estimates from other recent Willdan clients in Southern California.

Sources: City of Arcadia Fire Department; CoStar; Willdan Financial Services.

Table 3.3 details the current inventory of vehicles and apparatus used for fire protection services. The replacement cost of these vehicles and apparatus was provided by the Fire Department for use in this analysis.

Table 3.3: Existing Vehicle and Apparatus Inventory

Equip. No	Description	Replacement Cost
60108	1991 Pierce Pumper	\$ -
60111	1992 Chevy 1 Ton Pickup 2/WD	62,853
60165	1994 Chevy 1 Ton Pickup 2/WD	65,553
60177	1994 Pierce Pumper	961,364
60182	1995 Spartan Ladder Pumper Truck	1,265,000
70043	Pumper	28,463
80174	2008 International Search & Rescue Truck	299,000
80209	2006 Pierce Pumper	961,364
80210	2006 Pierce Pumper	961,364
80226	2007 Pierce Pumper	961,364
80246	2008 HME OES Fire Pumper	961,364
80247	2009 Chevy Suburban 4X4	97,740
80273	2010 Pierce Ladder Truck	1,265,000
80286	2012 Chevrolet Tahoe	69,854
80306	2013 Chevy 4X4 Pickup	52,165
80348	2015 Chevrolet Ambulance	299,000
80352	2015 Chevrolet Ambulance	299,000
80361	2015 Chevrolet Ambulance	299,000
80368	2013 Chevy Silverado 1500	41,950
80374	Ford Explorer Interceptor	49,741
80376	2017 Chevrolet Volt	46,430
80382	Volt	46,430
80388	Arrow XT	961,364
80422	Silverado	52,166
80437	XT Pumper	961,364
Total All Vehicles & Equipment		\$ 11,068,890

Sources: City of Arcadia Fire Department.

Table 3.4 lists additional fire protection equipment owned by the Department and used to provide fire protection services to the City. The replacement cost of these capital assets was provided by the Fire Department for use in this analysis.

Table 3.4: Fire Protection Equipment Inventory

Description	Quantity	Unit Cost	Total Replacement Cost
Truck Company - 6 Wood Ladders	2	\$ 31,600	\$ 63,200
Engine Company - 3 Wood Ladders	4	9,300	37,200
Engine Company - 3 Aluminum Ladders	2	2,200	4,400
Subtotal - Ladders			\$ 104,800
SCBA Equipment			\$ 1,148,800
Fire Hoses	9	30,000	270,000
Turnouts	112	3,108	348,096
Helmets	59	366	21,594
Total Replacement Value - Equipment			\$ 1,893,290

Source: City of Arcadia Fire Department.

Table 3.5 summarizes the total replacement cost of the existing fire facilities inventory, which includes the total value of facilities, vehicles and apparatus, and equipment. The total replacement cost of the fire facilities inventory is approximately \$50.3 million.

Table 3.5: Total Value of Existing Fire Protection Facilities Inventory

Description	Replacement Cost
Land and Buildings	\$ 37,352,367
Vehicles and Apparatus	11,068,890
Equipment	1,893,290
Total	\$ 50,314,547

Sources: Tables 3.2, 3.3 and 3.4.

Table 3.6 details the initial capacity expanding fire protection facilities identified by the Fire Department to be funded through this impact fee. All planned facilities enhance the Department's ability to provide services to new development within the City. Projects were identified by the fire department to meet short term and long-term capacity needs throughout the City. In the short term an additional Basic Life Support (BLS) ambulance will operate out of either Station 105 and/or 106. In the long term the Fire Department anticipates BLS ambulance operators for all three transports, moving paramedics to fire engines and ladder truck, and keeping a transport in each district paired with an Advanced Life Support (ALS) fire engine or truck. The vehicle storage facilities and station reconfiguration at Station 107 allow for the Fire Department to meet these long-term priorities.

The remodeling projects are not correcting existing deficiencies, rather they will allow the Fire Department to house additional staff needed to maintain its current level service, and continue to

provide that same level of service to new development as it occurs. The improvements can accommodate additional personnel as follows:

- Station 107 – projects accommodate two additional BLS ambulance operators and an additional ambulance.
- Station 106 – project accommodates two BLS ambulance operators.
- Station 105 - two BLS ambulance operators, an additional Fire Prevention vehicle to accommodate the adding of one additional fire inspector.

The fee calculation is driven by the existing facility standards used to determine the cost per capita. Additional facilities will need to be constructed to maintain the existing facility standard through the planning horizon.

Table 3.6: Fire Protection Facilities Capital Improvement Plan

Description	Total
Station 107 shed for vehicle storage (Rescue Ambulance)	\$ 140,000
Station 107 Remodeling – convert current apparatus floor into dorms, office space and add new apparatus garage, exiting South.	2,650,000
Station 106 Remodeling – remodel one large dorm to accommodate two new employees. Rework floor plan in PM office to accommodate multiple workstations and add additional computers.	290,000
Station 105 Remodeling- remodel Fire Chief and Deputy Chief dorms into one large dorm with lockers, two beds and workstations. As a result of remodel, Fire Chief and Deputy Chief office will need new cabinets with murphy bed. New lockers for administration shower area.	270,000
Fire Prevention Vehicle	40,000
Ambulance	480,000
Total	\$3,870,000

Source: City of Arcadia Fire Department.

Facility Standard

Table 3.7 shows the calculation of the existing per capita investment in fire protection facilities. This standard is calculated by dividing the replacement cost of existing facilities by the existing service population. The value per capita is multiplied by the worker weighting factor of 0.65 to determine the existing facility standard per worker.

Table 3.7: Fire Protection Facilities - Existing Standard

Existing Fire Facilities	\$ 50,314,547
Existing Service Population	<u>102,572</u>
Facility Standard per Capita	\$ 491
Cost per Resident	\$ 491
Cost per Worker ¹	879

¹ Worker weighting factor applied to cost per resident.

Sources: Tables 3.1 and 3.5.

Projected Revenue

The City plans to use fire protection facilities fee revenue to construct improvements to add to the system of fire protection facilities to serve new development. While the City plans to construct the facilities in Table 3.6, additional facilities will need to be constructed to maintain the existing facility standard through the planning horizon. **Table 3.8** details a projection of fee revenue, based on the service population growth increment identified in Table 3.1.

Table 3.8: Projected Fire Protection Facilities Impact Fee Revenue

Existing Facility Standard per Capita	\$ 491
Service Population Growth (2022-2045)	<u>24,247</u>
Total Projected Fire Facilities Impact Fee Revenue	\$ 11,905,300
Cost of Planned Facilities	\$ 3,870,000
Additional Facilities to be Identified	\$ 8,035,300

Sources: Tables 3.1 and 3.7.

Fee Schedule

Table 3.9 shows the maximum justified fire protection facilities fee schedule. The City can adopt any fee up to this amount. The cost per capita is converted to a fee per unit of new development based on dwelling unit and employment densities (persons per dwelling unit or employees per 1,000 square feet of nonresidential building space) shown in Table 2.2. The fee per dwelling unit is converted into a fee per square foot by dividing the fee per dwelling unit by the assumed average square footage of a dwelling unit.

The total fee includes a two percent (2) percent administrative charge to fund costs that include: a standard overhead charge applied to all City programs for legal, accounting, and other departmental and administrative support, and fee program administrative costs including revenue

collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

Table 3.9: Maximum Justified Fire Protection Facilities Impact Fee Schedule

Land Use	A	B	C = A x B		D = C x 0.02		E = C + D	E / Average
	Cost Per Capita	Density	Base Fee ¹	Admin Charge ^{1, 2}			Total Fee ¹	Fee per Sq. Ft. ³
<i>Residential Dwelling Unit</i>	\$ 491	2.66	\$ 1,306	\$ 26			\$ 1,332	\$ 0.35
<i>Nonresidential - Fee per 1,000 Sq. Ft.</i>								
Commercial	\$ 879	2.12	\$ 1,867	\$ 37			\$ 1,905	\$ 1.91
Office	879	3.26	2,861	57			2,919	2.92
Industrial	879	1.16	1,018	20			1,038	1.04

¹ Fee per average sized dwelling unit (residential) or per 1,000 square feet (nonresidential).

² Administrative charge of 2.0 percent for (1) legal, accounting, and other administrative support and (2) impact fee program administrative costs including revenue collection, revenue and cost accounting, mandated public reporting, and fee justification analyses.

³ Assumes an average of 3,836 square feet per dwelling unit in Arcadia, based on an analysis of building permits from 2019 to 2021.

Sources: Tables 2.2 and 3.7.

4. AB 602 Requirements

On January 1, 2022, new requirements went into effect for California jurisdictions implementing impact fees. Among other changes, AB 602 added Section 66016.5 to the Government Code, which set guidelines for impact fee nexus studies. Three key requirements from that section which concern the nexus study are reproduced here:

66016.5. (a) (2) When applicable, the nexus study shall identify the existing level of service for each public facility, identify the proposed new level of service, and include an explanation of why the new level of service is appropriate.

66016.5. (a) (4) If a nexus study supports the increase of an existing fee, the local agency shall review the assumptions of the nexus study supporting the original fee and evaluate the amount of fees collected under the original fee.

66016.5. (a) (5) A nexus study adopted after July 1, 2022, shall calculate a fee imposed on a housing development project proportionately to the square footage of proposed units of the development. A local agency that imposes a fee proportionately to the square footage of the proposed units of the development shall be deemed to have used a valid method to establish a reasonable relationship between the fee charged and the burden posed by the development.

66016.5. (a) (6) Large jurisdictions shall adopt a capital improvement plan as a part of the nexus study.

Compliance with AB 602

The following sections describe this study's compliance with the new requirements of AB 602.

66016.5. (a) (2) - Level of Service

The fees calculated in this study use the existing standard methodology which assumes no increases in the currently provided level of service. The fees are calculated such that new development funds facilities at the existing level of service. The existing level service in terms of the existing facility cost per capita is shown in Table 3.7.

66016.5. (a) (4) – Review of Original Fee Assumptions

This study is the first fire protection facilities impact fee nexus study completed in Arcadia, so there are no prior fee study assumptions to review.

66016.5. (a) (5) – Residential Fees per Square Foot

Fees for residential land uses are calculated per square foot and comply with AB 602.

66016.5. (a) (6) – Capital Improvement Plan

The Capital Improvement Plan for this nexus study is comprised of the identified planned facilities in Table 3.6. Adoption of this nexus study would approve the planned facilities identified herein as the Capital Improvement Plan for this nexus study. Additional facilities will need to be identified to maintain the existing standard of facilities through the planning horizon. Note that the CIP does not drive the fee calculation. The fee calculation is driven by the existing facility standards used to determine the cost per capita.

5. Implementation

Impact Fee Program Adoption Process

Impact fee program adoption procedures are found in the California Government Code section 66016. Adoption of an impact fee program requires the City Council to follow certain procedures including holding a public meeting. Fourteen days mailed public notice is required for those registering for such notification. Per AB602, this impact fee nexus study must be adopted by the City Council with 30 days' notice before the public hearing. Legal counsel can inform the City of any other procedural requirements and provide advice regarding adoption of an enabling ordinance and/or a resolution. After adoption, there is a mandatory 60-day waiting period before the fees go into effect. This procedure must also be followed for fee increases.

Inflation Adjustment

Appropriate inflation indexes should be identified in a fee ordinance including an annual inflation adjustment to the fee schedule. The fees can be adjusted based on the City's recent capital project experience or can be adjusted based on any reputable construction cost index, such as the California Construction Cost Index (CCCI). Inflationary adjustments to the development impact fee schedule require adoption by the City Council.

Fee Accounting

The City should deposit fire protection impact fee revenues into a restricted account. Fee revenue can only be spent on capacity expanding fire protection facilities. Fee revenue cannot be spent on operations and maintenance costs.

Programming Revenues and Projects with the CIP

The City should integrate the fire protection facilities CIP from this study into its Citywide CIP. That document should program fee revenue to specific projects. The use of the CIP in this manner documents a reasonable relationship between new development and the use of those revenues. Fee revenues can legitimately be used to fund system planning to further identify needed facilities.

The City may decide to alter the scope of the planned projects or to substitute new projects. This is acceptable if the modified or new projects continue to be for facilities necessary to serve the needs of new development. If the total cost of facilities varies from the total cost used as a basis for the fees, the City should consider revising the fees accordingly.

Fees collected must be spent or allocated to specific projects within five years. In compliance with the requirements of the Act, the City should allocate existing fund balances and projected fee revenues to specific projects in the CIP accordingly within the five-year time period. Note that the City can hold funds in a project account for longer than five years if necessary to collect sufficient monies to complete a project.

Reporting Requirements

The City will comply with the annual and five-year reporting requirements of the *Mitigation Fee Act*. **Table 5.1** summarizes the annual and five-year reporting requirements identified in the *Mitigation Fee Act*.

Table 5.1: Mitigation Fee Act - Annual and Five-year Administrative Requirements

CA Gov't Code		Reporting Requirements ¹	Recommended Fee Adjustment
Section	Timing		
66001.(d)	The fifth fiscal year following the first deposit into the account or fund, and every five years thereafter	(A) Identify the purpose to which the fee is to be put. (B) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged. (C) Identify all sources and amounts of funding anticipated to complete financing in incomplete improvements. (D) Designate the approximate dates on which supplemental funding is expected to be deposited into the appropriate account or fund.	Comprehensive Update
66006. (b)	Within 180 days after the last day of each fiscal year	(A) A brief description of the type of fee in the account or fund. (B) The amount of the fee. (C) The beginning and ending balance of the account or fund. (D) The amount of the fees collected and the interest earned. (E) An identification of each public improvement on which fees were expended including share funded by fees. (F) An identification of an approximate date by which the construction of the public improvement will commence. (G) A description of any potential interfund transfers. (H) The amount of refunds made (if any).	Inflationary Adjustment

¹ Edited for brevity. Refer to the government code for full description.

Sources: California Government Code §6601 and §6606.

6. Mitigation Fee Findings

Fees are assessed and typically paid when a building permit is issued and imposed on new development projects by local agencies responsible for regulating land use (cities and counties). To guide the imposition of facilities fees, the California State Legislature adopted the Mitigation Fee Act (Act) with Assembly Bill 1600 in 1987 and subsequent amendments. The Mitigation Fee Act, contained in California Government Code §§66000 – 66025, establishes requirements on local agencies for the imposition and administration of fees. The Mitigation Fee Act requires local agencies to document five statutory findings when adopting fees.

The five findings in the Act required for adoption of the maximum justified fees documented in this report are: 1) Purpose of Fee, 2) Use of Fee Revenues, 3) Benefit Relationship, 4) Burden Relationship, and 5) Proportionality. They are each discussed below and are supported throughout the rest of this report.

Purpose of Fee

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

We understand that it is the policy of the City that new development will not burden the existing service population with the cost of facilities required to accommodate growth. The purpose of the fees proposed by this report is to implement this policy by providing a funding source from new development to fund fire protection facilities to serve that development. The fees advance a legitimate City interest by enabling the City to provide municipal services to new development.

Use of Fee Revenues

- *Identify the use to which the fees will be put. If the use is financing facilities, the facilities shall be identified. That identification may, but need not, be made by reference to a capital improvement plan as specified in §65403 or §66002, may be made in applicable general or specific plan requirements, or may be made in other public documents that identify the facilities for which the fees are charged (§66001(a)(2) of the Act).*

Fees proposed in this report, if enacted by the City, would be available to fund expanded fire protection facilities to serve new development. Facilities funded by these fees are designated to be located within the City.

Benefit Relationship

- *Determine the reasonable relationship between the fees' use and the type of development project on which the fees are imposed (§66001(a)(3) of the Act).*

The City plans to restrict fee revenue to the acquisition of land, construction of facilities and buildings, and purchase of related equipment, furnishings, vehicles, apparatus, and services used to serve new development in the City of Arcadia. Facilities funded by the fees are expected to provide a citywide network of facilities accessible to the additional residents and workers associated with future residential and nonresidential land use development. The fees calculated in this report will fund only the expansion of fire protection facilities like those currently owned by the City and listed in Chapter 3 to maintain the current level of service for all future development. Under the Act, fees are not intended to fund planned facilities needed to correct existing deficiencies. Thus, a reasonable relationship can be shown between the use of fee revenue to provide additional facilities and services to meet the service demands that will be created by new residential and nonresidential land use classifications that will be subject to the fees.

Burden Relationship

- *Determine the reasonable relationship between the need for the public facilities and the types of development on which the fees are imposed (§66001(a)(4) of the Act).*

Facilities need is based on a facility standard that represents the demand generated by new development for those facilities. The service populations are established based upon the number of residents and workers, which correlate to demand for fire protection facilities.

For fire protection facilities, demand is measured by a single facility standard that can be applied across land-use types to ensure a reasonable relationship to the type of development. Service population standards are calculated based upon the number of residents associated with residential development and the number of workers associated with non-residential development. To calculate a single, per capita standard, one worker is weighted differently than one resident based on estimates of the relative use demand between residential and non-residential development.

Chapter 2, Demographic Assumptions provides a description of how service population and growth projections are calculated. Facility standards are described in the *Facility Inventories, Plans & Standards* sections of each facility fee category chapter.

Proportionality

- *Determine how there is a reasonable relationship between the fees amount and the cost of the facilities or portion of the facilities attributable to the development on which the fee is imposed (§66001(b) of the Act).*

The reasonable relationship between each facilities fee for a specific new development project and the cost of the facilities attributable to that project is based on the estimated new development growth the project will accommodate. Fees for a specific project are based on the project's size or increases in service population. Larger new development projects can result in a higher service population resulting in higher fee revenue than smaller projects in the same land use classification. Thus, the fees can ensure a reasonable relationship between a specific new development project and the cost of the facilities attributable to that project.

See Chapter 2, Demographic Assumptions, or the Service Population section in Chapter 3 for a description of how service population is determined for different types of land uses. See the Fee Schedule section of Chapter 3 for a presentation of the maximum justified fire protection facilities fee schedule.

Appendix

Appendix Table A.1: Fire Department - Worker Weighting Factor

	2019	2020 ¹	2021	Annual Average
<i>Annual Incidents</i>				
Residential	1,678	921	2,126	1,575
Nonresidential	1,491	559	1,676	1,242
Residents ²	58,891	56,894	56,240	57,342
Calls per Resident	0.028	0.016	0.038	0.027
Employees ³	24,970	25,327	25,688	25,328
Calls per Employee	0.060	0.022	0.065	0.049
Employee Weighting Factor ⁴	2.10	1.36	1.73	1.79

¹ Partial year of call data, due to a transition of the dispatch center's system

² Estimates from CA DOF, Table E-5.

³ Annual jobs in Arcadia based on estimate of 24,970 in 2019, increasing by 1.428% annually, as implied by SCAG 2045 projection.

⁴ Calls per employee / calls per resident.

Sources: CA DOF, Table E-5; OnTheMap Application, US Census Bureau; Arcadia Fire Department; Willdan Financial Services.

RESOLUTION NO.7492

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARCADIA,
CALIFORNIA, ESTABLISHING A FIRE PROTECTION FACILITIES
DEVELOPMENT IMPACT FEE

WHEREAS, on December 13, 2018, the Citizen's Financial Advisory Committee published their final report detailing its recommendations to the City Council for cost containment and/or revenue enhancements; and

WHEREAS, the Citizen's Financial Advisory Committee concluded at that time in their study that the City needed to expand its locally-controlled revenues to address concerns such as devastating effects of wildfire; and

WHEREAS, in a study conducted by FM3 Research, Arcadia residents identified amongst other public safety priorities that maintaining local fire and police protection and paramedic services were important; and

WHEREAS, moderate growth in the City of Arcadia will increase the demand for public services and the public facilities required to deliver those services; and

WHEREAS, the implementation of a Fire Protection Facilities Development Impact Fee will ease the financial burden resulting from the increased costs of services and demands from new development; and

WHEREAS, a duly noticed public hearing was held by the City Council concerning the proposed adoption of the Fire Protection Facilities Development Impact Fee on this Resolution.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARCADIA,
CALIFORNIA, DOES FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1.

- A. The fees established herein shall be imposed on new developments in the City (except for remodels or demolitions of residential units where a resident would only be charged for the new net livable square footage). The primary policy objective of the Fire Protection Facilities Development Impact Fee is to ensure that new development pays the capital and infrastructure costs associated with this growth.
- B. The initial or preliminary planned facilities to be funded by this newly established impact fee are identified in the fee study. Future facilities to serve growth will be identified through the City's annual Capital Improvement and/or Equipment Acquisition Budget plan and process and/or completion of a new facility master plan.

SECTION 2. The proposed new Fire Protection Facilities Development Impact Fee would be \$0.35 per square foot for residential dwelling units. For non-residential units, commercial units would be \$1.91 per square foot, office units would be \$2.92 per square foot, and industrial units \$1.04 per square foot. The resulting fees for the different land uses are listed in Exhibit A and are hereby adopted.

SECTION 3. Based on the foregoing, the City Council hereby finds this Resolution is exempt from the requirements of the California Environmental Quality Act as specified in section 15378 (b)(4) of the California Code of Regulations.

SECTION 4. The City Clerk shall certify to the adoption of this Resolution.

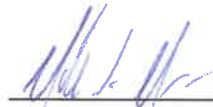
Passed, approved and adopted this 2nd day of May, 2023.

Mayor of the City of Arcadia

ATTEST:

City Clerk

APPROVED AS TO FORM:



Michael Maurer
City Attorney

EXHIBIT "A"

FIRE PROTECTION FACILITIES IMPACT FEE SCHEDULE

LAND USE	FEE PER SQUARE FOOT
Residential Dwelling Units	\$ 0.35
Non-Residential Units	
Commercial	\$ 1.91
Office	\$ 2.92
Industrial	\$ 1.04