



DEVELOPMENT IMPACT FEE STUDY FIRE FACILITIES

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Capitol | PFG

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TABLE OF CONTENTS

SECTION 1: EXECUTIVE SUMMARY.....	1
SECTION 2: THE MITIGATION FEE ACT.....	2
PURPOSE OF THE FEE.....	2
USE OF THE FEE	3
BENEFIT RELATIONSHIP.....	3
BURDEN RELATIONSHIP	3
PROPORTIONALITY	3
ACCOUNTING, REPORTING AND OTHER REQUIREMENTS OF AB 1600.....	4
SECTION 3: METHODOLOGY FOR IMPACT FEE STUDY	5
FACILITY STANDARDS METHODOLOGY	5
SECTION 4: PREVIOUS STUDIES/CURRENT FEES	7
OTHER DISTRICT INFORMATION	8
SECTION 5: EXISTING ASSETS	10
FACILITIES	10
APPARATUS, VEHICLES AND CAPITAL EQUIPMENT.....	10
SECTION 6: ANTICIPATED GROWTH.....	12
RESIDENTIAL DEVELOPMENT	12
NON-RESIDENTIAL DEVELOPMENT	13
SECTION 7: NECESSARY FACILITIES	14
EXISTING CAPITAL RESOURCES	14
CAPITAL IMPROVEMENT PLAN	14
FIRE STATION EXPANSION COSTS	15
APPARATUS, VEHICLE & CAPITAL EQUIPMENT COSTS	15
AVAILABLE REVENUE SOURCES	16
TOTAL ESTIMATED COSTS.....	16
SECTION 8: DEVELOPMENT IMPACT FEE CALCULATION	18
IMPACT FEE CALCULATION.....	18
IMPOSING THE FEE ON DIFFERENT TYPES OF PROPERTY TYPES.....	19
SECTION 9: ASSESSING THE FEE.....	20
SECTION 10: IMPLEMENTATION.....	21
FIRE DISTRICT BOARD APPROVAL.....	21
DISTRICT BOARD APPROVAL.....	21
COUNTY BOARD OF SUPERVISORS' APPROVAL.....	21
FEE ACCOUNTING	21
USE OF THE FEE	22
FEE EXEMPTIONS.....	22
INFLATION ADJUSTMENT.....	22
REPORTING REQUIREMENTS.....	22



SECTION 1: EXECUTIVE SUMMARY

The Madison Fire Protection District ("District") provides fire protection, fire prevention, emergency medical, hazardous materials, technical rescue and disaster response to the unincorporated community of Madison, as well as portions of Yolo County.

This Development Impact Fee Study ("Study") is intended to update the development impact fee imposed by the District. This report summarizes an analysis of the need for fire facilities and equipment to accommodate new development within the District's boundaries and documents a reasonable relationship between new development, the fee, and the facilities and capital equipment to be funded.

Yolo County has and will continue to experience growth. As a consequence, local public works are faced with the challenge of providing service to an expanding customer base with limited resources for improving the infrastructure necessary to accommodate such expansion. The District also faces the challenge of providing fire facilities and services to new development within its boundaries. The impact fees collected as a result of new construction provides a funding source for the construction of fire facilities and purchase of vehicles and equipment necessary for this purpose.

This Study calculates the development impact fee based on the current values of all fire equipment and facilities necessary to protect current residents at current service levels. This fee is translated into a per square foot cost that is imposed on any new construction which may occur. Impact fees paid will allow for the District to provide the necessary facilities, vehicles, and equipment necessary to maintain current service levels.

This Study supports the adoption of a development impact fee for fire facilities of **\$2.59** per square foot of new construction. The methods used to calculate impact fees in this report are intended to satisfy all legal requirements governing such fees, including provisions of the California Constitution and the Mitigation Fee Act (California Government Code Section 66000 et. seq.).

Upon the submittal of this Study to the District, the Board of Directors of the District ("Board"), along with District Staff will review and evaluate the report for accuracy. The Board of Directors will also evaluate the recommended actions and provide policy direction. Once the Board is satisfied that the legislative requirements of Government Code section 66000 et. seq. have been met and the fee recommendations are valid, the Board shall submit a recommendation regarding the fee adjustments to Yolo County Board of Supervisors.

After accepting and considering public input, the County Board of Supervisorsshall vote to approve findings and a resolution to set the appropriate fees. If accepted, the fees would be imposed pursuant to the Board of Supervisor's or the Councils' "police powers" under Article XI, section 7, of the California Constitution.

SECTION 2: THE MITIGATION FEE ACT

This brief summary of the legal framework for development fees is intended as a general overview. It was not prepared by legal counsel and should not be treated as legal advice.

In 1987, the California Legislature adopted Assembly Bill 1600 which established a uniform process for formulating, adopting, imposing, collecting, accounting for, and protesting impact fees. In order to impose an impact fee, a local agency must go through a process to establish a reasonable relationship between a development project and the public improvement for which the development fee is charged.

The most important part of AB 1600 is the requirement for findings that connect any impact stemming from a development project to the type and amount of the fee imposed or what is commonly referred to as the "Nexus" requirement. Government Code Section 66001 states that after January 1, 1989, in any action "establishing, increasing, or imposing a fee as a condition of approval of a development project," the local agency shall do all of the following:

- 1) Identify the purpose of the fee.
- 2) Identify how the fee is to be used. If the use is for financing public facilities, the facilities shall be identified.
- 3) Determine how a reasonable relationship exists between the fee's use and the type of development project on which the fee is imposed.
- 4) Determine how a reasonable relationship exists between the need for the public facility and the type of development project on which the fee is imposed.
- 5) 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.

Purpose of the Fee

The purpose of this development impact fee is to ensure that new development within the District pays its proportionate share of the capital investments to be made by the District along with its share of future capital costs, which are necessary to provide fire protection, fire suppression and other fire safety services adequate to accommodate a growing service population. The District is prudent in requiring that new development not burden existing property owners with the cost of public facilities required to accommodate growth. The District can further this objective through the imposition of development impact fees. The purpose of the development impact fee is to implement this policy by providing a funding source from new development for capital improvements to serve that development. The fee helps to ensure that the level of service is maintained as new development offsets the increased costs of providing service as growth occurs.

Use of the Fee

The Fee will be used to fund expansion, refurbishment and/or addition of Fire Facilities (land, buildings, other structures, apparatus and vehicles, equipment and related financing costs) to mitigate the impact of new development on the need for such facilities within the District, as well as to fund the administration of the Fee Program (Fee collection, accounting, reporting, nexus studies, and other expenses related to compliance with the Act requirements). The Fee revenue will not be used to fund operations, maintenance, or existing facility deficiencies that do not expand the District's system capacity.

Benefit Relationship

The District will restrict fee revenues as described above under Use of the Fee. Fire Facilities funded by the fee will further the existing District-wide network of services accessible to the additional residences and businesses associated with new development. Thus, there is a reasonable relationship between the use of fee revenues and the residential and non-residential types of new development that will pay the fee.

Burden Relationship

The purpose of assessing an impact fee is to provide the capital resources necessary to maintain the existing level of service for fire protection, emergency medical response, rescue and extrication, containment and mitigation of hazardous materials exposure, and other life safety services that is required of a growing service population. Based on the District's historical experience in responding to calls for service among the varying types of development in its boundaries, it is appropriate to assess the on fee on a uniform basis in order to share the costs on a pro rata basis among existing and new development. Thus, there is a reasonable relationship between the use of the fee and the type of development served by the capital assets funded by the fee.

Proportionality

The reasonable proportionality relationship can be established by identifying the facility costs attributable to future development, then establishing fee rates that allocate those costs in proportion to the demands created by each type of development project. The fee apportions costs between the existing population and new development in a manner proportional to their contribution of the need for that asset. Further, fees are imposed based on building size as measured by habitable and enclosed square feet of each building. Thus, larger buildings that have a greater demand for fire service and related capital facilities and equipment pay a proportionately higher fee than smaller buildings.

Accounting, Reporting and Other Requirements of AB 1600

In addition to the Nexus requirements, AB 1600 also outlines the accounting for future revenue received through imposition of impact fees on new construction projects. AB 1600 requires that upon receipt of a fee, the local agency deposit the fee into a separate capital facilities account or fund, in a manner to avoid any commingling of the fees with other revenues and funds of the agency and expend the fees solely for the purpose for which the fee was collected. Interest gained on the capital facilities accounts or funds shall be separated, accounted for, and expended in the same manner.

The agency shall make findings once each fiscal year with respect to any portion of the fee remaining unexpended or uncommitted in its account five or more years after the deposit of the fee. The finding shall identify the purpose to which the fee is to be put and to demonstrate a reasonable relationship between the fee and the purpose for which it was charged.

The agency shall refund to the current record owner(s) of the project, on a prorated basis, the unexpended or uncommitted portion of the fee, with interest, for which the required findings cannot be made. Upon certain circumstances, with appropriately noticed hearings, the legislation allows alternative actions.

The agency shall annually adopt and update, by resolution at a publicly noticed hearing, any capital improvement plan defined in this legislation.

SECTION 3: METHODOLOGY FOR IMPACT FEE STUDY

Development impact fees are calculated to fund additional Fire Facilities that are a direct result of growth due to new development. In order to fund Fire Facilities needed due to growth occurring within the District, it is necessary to determine what the appropriate fee should be. There are four basic steps followed in the calculation of any development impact fee, these include:

1. Prepare growth projections;
2. Identify facility standards;
3. Determine the amount and cost of facilities required to accommodate new development based on facility standards and growth projections;
4. Calculate the public facilities fee by allocating the total cost of facilities per unit of development (on a square foot basis).

Facility Standards Methodology

One important issue in development impact fee studies is the identification of facility standards. Facility standards determine new development's total need for new facilities and each development unit's fair share of those needs. Standards also ensure that new development does not fund deficiencies associated with existing development.

The District will determine the size and location of Fire Facilities necessary to ensure they will be sufficient to accommodate the personnel needed to serve the amount of new development anticipated. This study uses the District's existing inventory of Fire Facilities combined with planned Fire Facilities needed to accommodate future development as the District's facilities standard. The District's existing inventory of Fire Facilities serve the entire District and will serve future development. Further, additional Fire Facilities will be needed to serve the anticipated future service population because of new development.

The District currently provides fire and emergency response services to a large response area. Given the District's size and protection facilities, vehicles, and equipment available at any one time, it is understandable that new construction will only exacerbate the protection challenges of the District. Given such facts, the District has determined that current service levels will be used as a benchmark and that new construction will not adversely affect these service levels.

To mitigate new construction's impact on the District's service capabilities, new development must be required to pay development impact fees. Assuming that the current levels of service being provided to the District's residents are to be considered the standard, any additional construction within the District's boundaries which requires fire or emergency response services, will pay an impact fee that is proportionate to such service. Given the existing demands placed on the District, existing Fire Facilities should not be utilized to accommodate new construction at the expense of existing service levels. To offset the impact of new

development, the development impact fees will be used in accordance with the Use of the Fee as described above.

The District's inventory of existing and planned Fire Facilities is used as part of the basis for calculating the District's facility standard. This standard is used to determine new development's fair share obligation for expanded Fire Facilities as growth occurs. The District's existing Fire Facilities described in this Report currently serve the entire District. The facility standard utilized in the Study will specifically benefit any new development that will occur within the District as it will fund the expansion of Fire Facilities at the same standard currently serving existing development.

The District has the flexibility to alter the list of necessary Fire Facilities shown in this report as conditions change. If the overall cost of facilities necessary to mitigate the anticipated residential and non-residential growth is altered significantly then the District should update this fee program to incorporate those changes.

SECTION 4: PREVIOUS STUDIES/CURRENT FEES

The Madison Fire Protection District’s previous development impact fee study was prepared in April 2017. Based upon the analysis performed by BAE Urban Economics, the development impact fees for fire facilities, shown in **Table 1** below, were approved by the District.

TABLE 1

Current Impact Fees		
Construction Type	Impact Fee	
Residential	Fire Component Per Square Foot	Medical Aid, Traffic, Other Per Unit
Single-Family	\$0.33	\$2,897.85
Multifamily	\$0.31	\$2,526.02
Mobile Home	\$0.33	\$2,615.96
Non-Residential	Fire Component Per Square Foot	Medical Aid, Traffic, Other Per 1,000 Building Square Foot
Retail	\$0.30	\$910.95
Industrial	\$0.22	\$501.02
Office	\$0.41	\$1,670.07

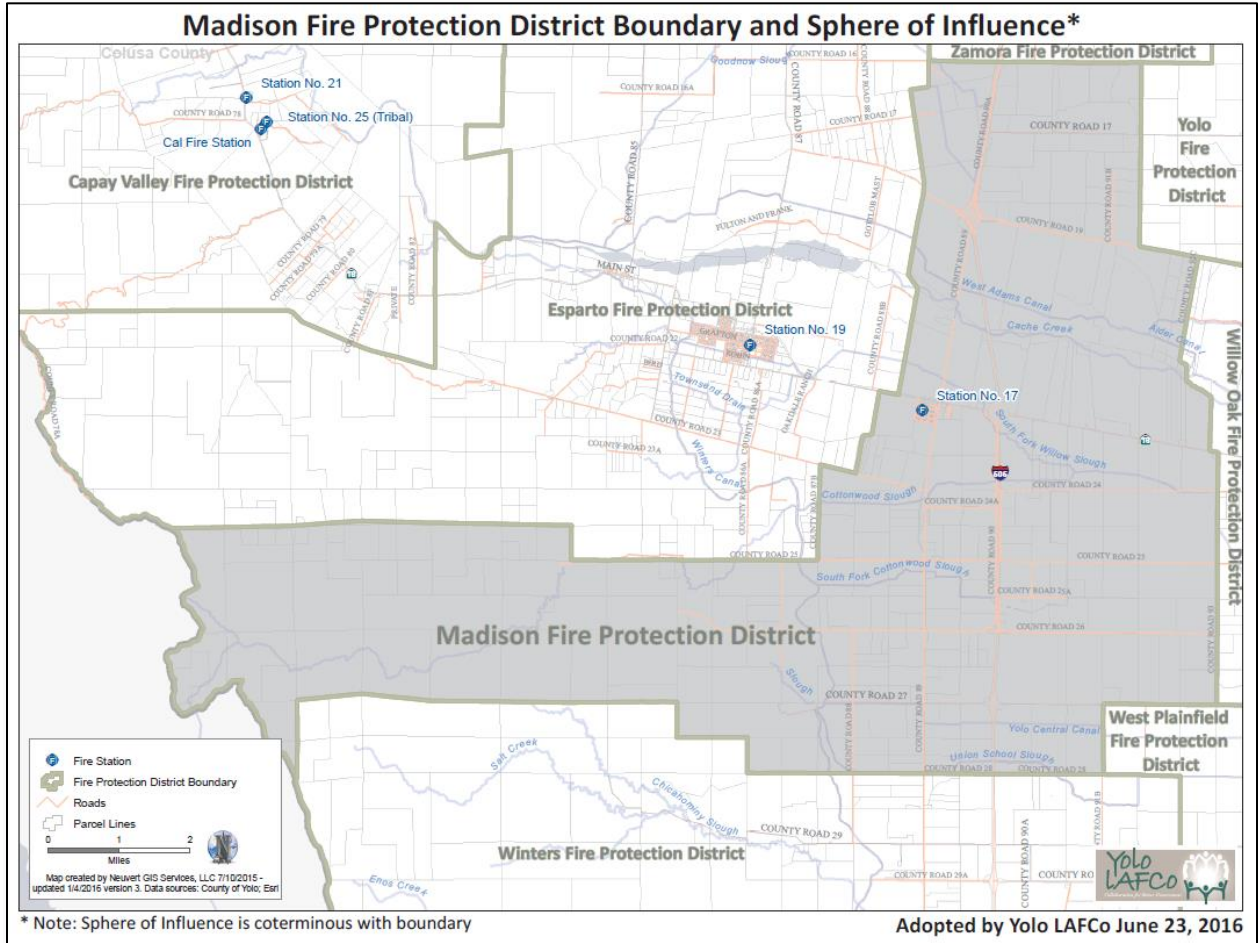
Source: Madison Fire Protection District

Capitol Public Finance Group was requested by the Madison Fire Protection District to provide a single fee Study. The Study is intended to establish the legal and policy basis for the calculation and imposition of impact fees on all new development within the District. Ultimately, this Study will justify a development impact fee to mitigate the increasing amount of development within the District’s boundaries and the rapidly increasing cost of Fire Facilities.

SECTION 5: DISTRICT DEMOGRAPHIC DATA

The District serves the unincorporated community of Madison, as well as portions of Yolo County. As shown in **Figure 1**, the District is located in the middle of Yolo County, west of the City of Woodland.

FIGURE 1



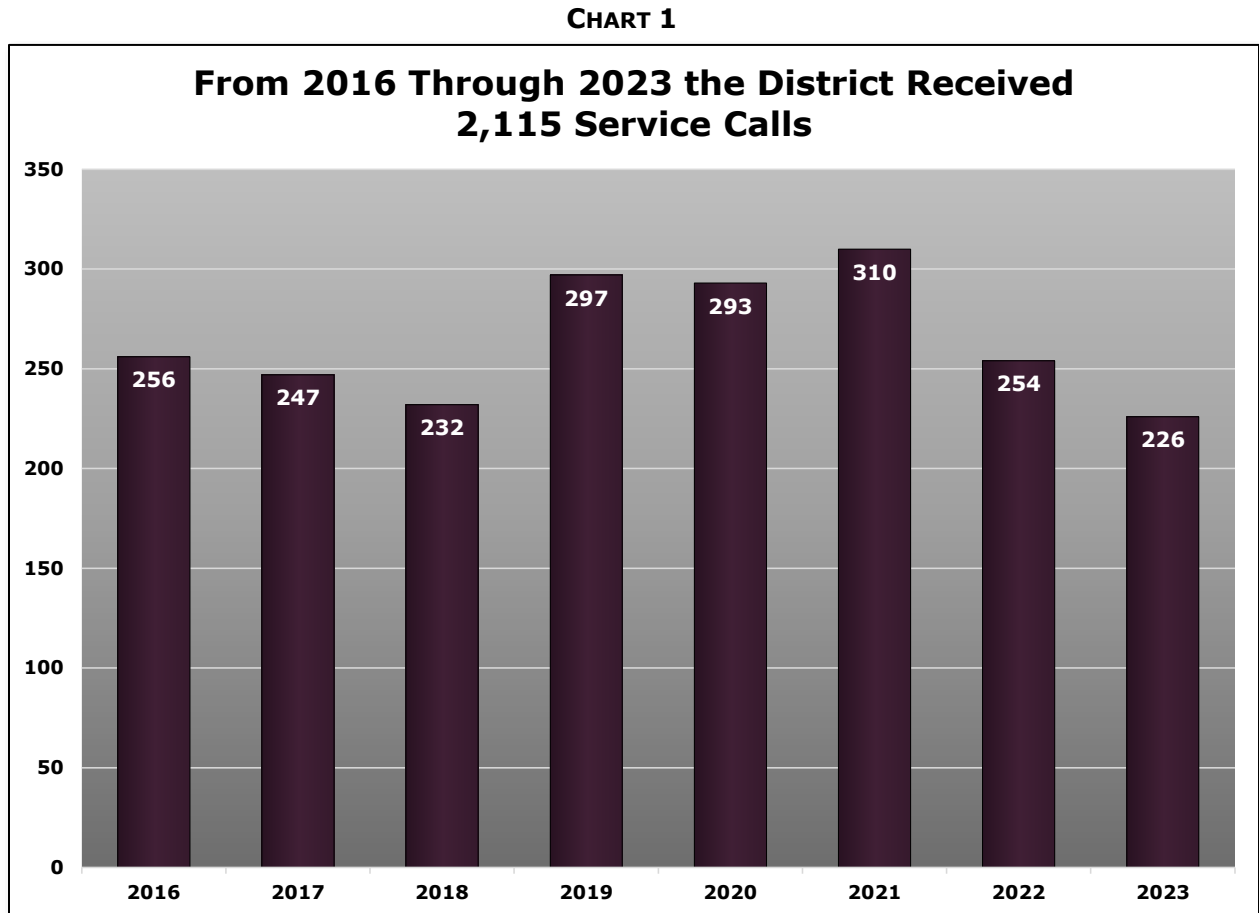
The District was formed as an independent district from Yolo County in 1927, and is responsible for the protection of a variety of geographical areas, ranging from residential neighborhoods, commercial and industrial buildings, rural areas, as well as portions of Interstate 505 and State Route 16. The District covers 65 square miles and serves a population of approximately 1,390 residents with the majority residing in the town of Madison.

Other District Information

The District provides a full range of services, including fire prevention, fire suppression, and emergency medical response in addition to a variety of other miscellaneous requests. The District is a Special District, a self-governed agency led by a five member Board of

Commissioners that are elected by the residents of the District and serve 4 year terms. The District is composed of 4 full time employees and 25 volunteers.

The District responded to 2,115 service calls from 2019 through 2023, as shown in **Chart 1**. On average the District received approximately 264 service calls per year over the past eight years.



Source: Madison Fire Protection District

SECTION 5: EXISTING ASSETS

Facilities

The District currently operates out of one fire station located at 17880 Stephens Street in Madison. The Station includes a 2,867 square foot apparatus bay and a 984 square foot recreation room. The District also owns an 800 square foot rental house located on the station’s property that was remodeled in 2022-23. The total estimated value of the District’s facilities is \$1,341,115, shown in **Table 2**.

TABLE 2

Madison Fire Protection District Fire Facilities Inventory		
Building	Year Built	Estimated Value
Station		
Apparatus Bay	1940	-
Recreation Room	1960	-
Station Estimated Value		\$929,529
Rental House	1930	\$411,586
Total Facilities Estimated Value		\$1,341,115

Source: Madison Fire Protection District

Apparatus, Vehicles and Capital Equipment

The District’s current apparatus/vehicle and equipment inventory is shown below in **Table 3**. The combined estimated value of the District’s apparatus/vehicles and equipment is \$1,980,000.

TABLE 3

Madison Fire Protection District Apparatus/Vehicle and Equipment Inventory	
Apparatus/Vehicle Type	Model Year
Freightliner F70 Type 2	2004
International 7400 Type 3	2008
Ford F550 Type 5	2019
International 4400 Water Tender	2015
Ford F750 Water Tender	2024
Ford 250 4x4	2021
Chevy Tahoe	2008
GMC 4x4	2004
Honda Side by Side	2020
Equipment Type	Equipment Age (Years)
LDH Hose	20
Nozzles	10 to 20
Structure PPE	1 to 12
Wildland PPE	1 to 12
SCBA's	9
Extrication Tools	25
Total Apparatus/Vehicle and Equipment Estimated Value	\$1,980,000

Source: Madison Fire Protection District

SECTION 6: ANTICIPATED GROWTH

Residential Development

There are currently no planned development projects within the District’s boundaries, however the District does expect some growth. Using the District’s developer fee collections from the last eight years, the District has added an average of 2 residential units per year, shown in **Table 4** below. It is expected that this rate of growth will continue over the next eight years for a total of approximately 16 new residential units.

TABLE 4

8 Year Historical Residential Development	
Year	Number of Residential Units
2016	N/A
2017	N/A
2018	3
2019	3
2020	2
2021	0
2022	2
2023	1
Average	2
Estimated New Residential Units	16

Source: Madison Fire Protection District

To estimate the square footage of new residential development, the average square footage of current residential units within the District was determined using ParcelQuest and then applied to the estimated number of units expected to be built over the next 8 years.

TABLE 5

Estimated Residential Development Square Footage		
Total Estimated # of Units	Average Current Residential Square Footage	Estimated Square Footage
16	1,713	27,408

Non-Residential Development

According to the District, over the last eight years the District has added 182,593 square feet of non-residential building space, it is expected that this rate of growth will continue over the next eight years.

As the demand for fire suppression and emergency response increases due to new construction, the capabilities and overall quality of protection services and personnel provided, degrades proportionally. The only plausible mitigation from the District's perspective is the addition of facilities, equipment, and personnel to provide existing service levels to any new construction which may occur. This is accomplished through the modernization and upgrade of existing facilities, or the construction of entirely new facilities. This will serve to support timely response and maintain adequate supplies of apparatus and equipment so that the District may maintain its current service levels while accommodating any new growth.

As residential construction continues, an inherent demand for commercial facilities may also be created. As these developments may significantly affect the District's service requirements, the District must consider these properties when planning and assessing its ability to maintain high levels of service to existing residents and as well these new properties that will be added to its service population.

SECTION 7: NECESSARY FACILITIES

Existing Capital Resources

As previously detailed in Section 5 and summarized in **Table 6** below, the District has invested approximately \$3.3 million into its capital assets.

TABLE 6

Capital Asset Summary	
Type of Asset	Total Estimated Value
Fire Stations	\$1,341,115
Apparatus, Vehicles and Equipment	\$1,980,000
Total	\$3,321,115

Capital Improvement Plan

Table 7 below shows the District’s Capital Improvement Plan for the next 20 years, including the type of need, the year needed and estimated cost.

TABLE 7

Capital Improvement Plan		
Type	Replacement Year	Estimated Replacement Cost
Facilities		
Apparatus Bay Addition (70x40 metal building)	2025	\$250,000
Recreation/Living Quarters	2035-2040	\$400,000
Total Estimated Facilities Cost		\$650,000
Apparatus/Vehicles		
Type 2 Engine	2028	\$900,000
Type 3 Engine	2026	\$550,000
Type 5 Engine	2040	\$250,000
Water Tender	2035	\$350,000
Water Tender	2045	\$250,000
Command 1700 - Pickup	2030	\$100,000
Utility 217 - OHV	N/A	\$45,000
Total Estimated Apparatus/Vehicles Cost		\$2,445,000
Equipment		
Hose LDH	2025	\$15,000
Nozzles	2027	\$10,000
Structure PPE (30 sets over next 10 Years, 3-4 per year)	2025-2035	\$200,000
Wildland PPE (30 sets over next 10 Years, 3-4 per year)	2025-2035	\$75,000
SCBA's	2031	\$150,000
Extrication tools	2026	\$125,000
Total Estimated Equipment Cost		\$575,000
Total Estimated Cost		\$3,670,000

Source: Madison Fire Protection District

Fire Station Expansion Costs

In order to adequately serve the fire and emergency medical service demands of the District’s current and future population, the District has determined that the existing apparatus bay will need to be expanded within the next 8 years. The District is currently in the process of obtaining a permit to construct a 70x40 metal building with an estimated cost of \$250,000.

Apparatus, Vehicle & Capital Equipment Costs

As the District’s existing fleet ages, new emergency apparatus and equipment will need to be purchased to both meet the demands of the existing service population and offset the increased demand and meet District standards. The District has projected that it will require

acquisition of emergency apparatus, such as the apparatus, vehicles, and equipment shown in **Table 8** over the course of the next 8 years.

TABLE 8

Apparatus, Vehicle and Equipment Needs		
Type	Year Needed	Cost
Apparatus and Vehicles		
Type 3 Engine	2026	\$550,000
Type 2 Engine	2028	\$900,000
Command 1700 Pickup	2030	\$100,000
Total Apparatus and Vehicle Estimated Costs		\$1,550,000
Equipment		
Hose LDH	2025	\$15,000
Nozzles	2027	\$10,000
Structure PPE (24 sets, \$6,666 per set, 3 per year)	2025-2032	\$160,000
Wildland PPE (24 sets, \$2,500 per set, 3 per year)	2025-2032	\$60,000
SCBA's	2031	\$150,000
Extrication Tools	2026	\$125,000
Total Equipment Estimated Costs		\$520,000
Total Apparatus, Vehicle and Equipment Needs Estimated Costs		\$2,070,000

Source: Madison Fire Protection District

Available Revenue Sources

The District intends to commit all available developer fee funds to the projects. As of November 2024, the District had approximately \$51,415 in developer fees available to commit to facilities projects.

Total Estimated Costs

Adding together the current capital assets with the cost of improvements to the existing stations and new apparatus results in the total estimated capital impact from new development in the District, as shown in **Table 9**.

TABLE 9

Combined Total Capital Assets and Future Costs	
Type of Asset	Total Estimated Value/Costs
Current Capital Assets	\$3,321,115
Future Improvement Costs	\$2,320,000
Total Estimated Capital Impact	\$5,641,115
Less Development Fee Balance	\$51,415
Net Total Estimated Capital Impact	\$5,589,700

Source: Madison Fire Protection District

The District is currently utilizing all available Mitigation and General Fund revenues to fund existing expenditures and will not have sufficient funds to offset the cost of future capital needs.

SECTION 8: DEVELOPMENT IMPACT FEE CALCULATION

To properly express the impact of new construction on the service quality and capabilities of the District, the District's impact fee will be justified by taking the total value of assets of the District and dividing the value across all assessable square footage within the District boundaries. Then, the average size of units within the District will be applied to the per unit value to determine a per square foot value.

Impact Fee Calculation

To calculate the amount of the development impact fee necessary on a per square foot basis, for all properties within the District's boundaries, we will identify the cost to provide facilities and equipment to new construction at existing levels. To accomplish this goal, we must first identify the total square footage of structures within the District. Although the District covers a wide-ranging service area, including open land and river bottoms, the impact fee calculation only includes structures with assessable square footage.

As described in Section 7, the estimated square footage of new construction within the District is 210,001. Using County tax rolls and a visual inspection via ParcelQuest it was determined that there is currently 1,993,214 total square footage of building space within the District. As shown in **Table 10**, over the next 8 years the District expects to have approximately 2.2 million square feet of building space within its boundaries.

TABLE 10

Estimated Current and Future Development by Square Footage	
	Square Footage
Current Structures	1,993,214
Anticipated New Construction	210,001
Total Square Footage	2,203,215

To calculate the amount of the development impact fee necessary, on a per square foot basis, we first identify the unfunded facilities cost of \$5,589,700, as stated in Section 8. We then determine the total square footage of residential, commercial, and industrial construction within the District, which is 2,203,215 square feet. Finally, we divide the total facilities cost (\$5,589,700) by the total square footage of building space within the District (2,203,215 square feet).

TABLE 11

Impact Fee Calculation	
Total Estimated Costs	\$5,589,700
Future Service Square Footage	2,203,215
Cost per Square Foot	\$2.54

Therefore, as shown in **Table 11**, the District can justify a development impact fee for fire facilities of **\$2.54** per square foot of new construction.

Imposing the Fee on Different Types of Property Types

The District serves non-residential parcels with the same capital equipment as residential parcels, based on the relative size of the development, with a more equipment intense response for larger buildings. For all calls that the District responds to, the Type 1 engine is the first to respond, with the exception of wildfire/vegetation calls, when the Type 3 engine is first. The type of property does not impact the apparatus or equipment that is used for response. As such, the same fee is applied to all new construction, regardless of the use of the property. Imposing the impact fee on a per square foot basis provides for proportionate funding based on the size of the building and the resulting fire response.

As stated above, the District can justify a development impact fee for fire facilities of \$2.54 per square foot of new construction. In addition to the cost of fire facilities and equipment necessary to serve new development, there is an administrative cost to the District to justify, impose and collect development impact fees. The administrative cost is estimated to be 2% of the fee. As such, approximately \$0.05 is added to the fee to cover the cost of administering the fee program bringing the total fee up to **\$2.59** per square foot of new construction.

SECTION 9: ASSESSING THE FEE

The fee is a uniform fee that will be applicable to new construction, including residential, commercial, office, and industrial building space as well as to additions to existing buildings which requires the issuance of a permit or approval from the County of Yolo.

Future large or specialized commercial/industrial development may require special considerations and should be judged on a project-by-project basis. Commercial and industrial development should be reevaluated during the routine review of impact fees for fire and hazmat response data to support the different fee structure. An in-lieu mitigation agreement may be needed in order to adequately collect mitigation fees from commercial and/or industrial development with unique considerations.

Residential categories other than single-family dwellings, are differentiated by their size as the fee is assessed on a per square foot basis. These fees are recommended to include the square footage of all classes of covered structures constructed within the District.

SECTION 10: IMPLEMENTATION

If the District Board concurs with and chooses to increase the fee as provided for in this study, the following process should be followed for fee implementation.

Fire District Board Approval

The District Board should adopt a resolution and make a recommendation to the County Board of Supervisors to adopt this fee pursuant to the County's "police powers" under Article XI, section 7 of the California Constitution.

District Board Approval

Following thorough consideration, and public input, should the District Board act to implement the fee program, the District Board would adopt a resolution and then make a recommendation to the Yolo County Board of Supervisors to adopt this fee pursuant to County's development "police powers" under Article XI, section 7 of the California Constitution.

County Board of Supervisors' Approval

The Yolo County Board of Supervisors could be expected consider adoption of the proposed fee schedule in compliance with California Government Code section 66016 through 66018. The County will then:

- ◆ Send a notice of a public hearing at least 14 days prior to the hearing to any party that has submitted a written request for such a notice. Have this report and all supporting documentation available for review by the public at least 10 days prior to the hearing. Publish notice of the public hearing in a newspaper of general circulation at least 10 days prior to the scheduled hearing, with a second notice published at least 5 days after the first hearing notice. The notice should include the time and place of the meeting as well as a general explanation of the matter to be considered;
- ◆ Hold the public hearing to consider adoption of the development impact fee;
- ◆ Adopt an implementing resolution or ordinance to impose the proposed fee and automatically adjust the fee annually for inflation. If the city and/or county has previously adopted impact fees by ordinance, the updated impact fee must also be approved by ordinance;
- ◆ Begin collecting the fee no sooner than 60 days following adoption of the ordinance and resolution.

Fee Accounting

The District should deposit all fee revenues into a restricted public facility fee account. Interest earned on fund balances should be credited to the fund.

Use of the Fee

The District should only use fee revenues for capital expenditures that expand the District ability to deliver fire services to accommodate new development. Use of the fee in this manner documents a reasonable relationship between new development and the use of fee revenue. The Fire District may alter the scope of the capital expenditures or substitute new capital projects as long as the project continues to represent an expansion of the District's capabilities. If the total cost of all capital expenditures varies from the total cost used as a basis for the fee, the District should revise the fee accordingly.

Fee Exemptions

The following development projects are exempted from payment of the fee:

- ◆ Structures owned by a governmental agency.
- ◆ Structures which are reconstructed, so long as the square footage of the reconstructed structure is no greater than the square footage of prior structure.
- ◆ Structures found to have no impact on the District's fire system.
- ◆ Accessory dwelling units less than 750 square feet.

Inflation Adjustment

The District should adjust the fee annually for inflation in the cost of the capital expenditures to be funded by the fee. A construction cost index should be based on a reputable and easily identifiable source such as the *Engineering News Record*. Any inflationary adjustment must first be authorized in the enacting resolution or ordinance.

Reporting Requirements

The District should comply with the annual and five-year reporting requirements of Government Code section 66000 et. seq. Annually, the District must identify the fee revenues received and for what purposes they were expended.