

CITY OF BREA

FIRE AND DISPATCH FACILITIES DEVELOPMENT IMPACT FEE STUDY



FINAL DRAFT
FEBRUARY 20, 2024



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Executive Summary

This report summarizes an analysis of the need for fire protection and dispatch facilities and capital improvements to support future development within the City of Brea through 2040. 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, also known as a public facilities fee. The public facilities and improvements included in this analysis of the City's public facilities fee program are divided into two fee categories: fire protection facilities and dispatch facilities.

Background and Study Objectives

The primary policy objective of a public facilities 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 public facilities fee levels to impose on new development to maintain the City's existing facilities standards for fire and dispatch 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 once every five years to incorporate the best available information.

The City imposes public facilities 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 public facilities 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. This approach is often used when a long-range plan for new facilities is not available. Potential 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. This approach is to calculate each of the fees in this report.

Therefore, this study distinguishes between the share of future facilities needed to accommodate growth and the share that serves existing residents and businesses. New development can only fund its fair share of planned facilities. To ensure compliance with the law, this study ensures that there is a reasonable relationship between new development, the amount of the fee, and facilities funded by the fee.

Fee Schedule Summary

Table E.1 summarizes the schedule of maximum justified fire and dispatch fees based on the analysis contained in this report. The City may adopt any fee up to those shown in the table. **Table E.2** displays the current fire and dispatch impact fee schedule.

Table E.1: Maximum Justified Impact Fee Schedule Summary

Land Use	Fire Protection Facilities	Dispatch Facilities	Total
<i>Residential (per Dwelling Unit)</i> ¹	\$ 1,397	\$ 65	\$ 1,462
<i>Nonresidential (Fee per 1,000 Building Square Feet)</i>			
Commercial	\$ 639	\$ 63	\$ 702
Office	1,305	129	1,434
Industrial	494	49	543

¹ Fees will be charged per square foot. Fee shown is for the assumed average sized dwelling unit.

Sources: Tables 3.10 and 4.8.

Table E.2: Current Fire and Dispatch Fee Summary

Land Use	Fire	Dispatch	Total
<i>Residential (Fee per Dwelling Unit)</i>			
Single Family	\$ 1,029	\$ 55	\$ 1,084
Multifamily	731	40	771
<i>Nonresidential (Fee per 1,000 Building Square Feet)</i>			
Commercial	\$ 191	\$ 55	\$ 246
Office	267	77	344
Industrial	138	40	178

Source: City of Brea.

1. Introduction

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

- ◆ Background and study objectives
- ◆ Public facilities financing in California
- ◆ Public facilities planning and financing in Brea
- ◆ Study methodology
- ◆ Impact fees for accessory dwelling units
- ◆ Factors driving changes to impact fee schedule
- ◆ Organization of the report

Background and Study Objectives

The primary policy objective of a public facilities 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 public facilities fee levels to impose on new development to maintain the City's facilities standards for fire protection and dispatch. The City should review and update this report and the calculated fees once every five years to incorporate the best available information.

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

The City of Brea is forecast to experience moderate growth through this study's planning horizon of 2040. 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 update the City's existing development impact fees for fire and dispatch facilities so they are representative of the facility needs resulting from new development.

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.

Public Facilities Planning and Financing in Brea

The City of Brea will need to construct and acquire additional fire and dispatch infrastructure and facilities to meet the demands of community growth. The Brea Fire Department has plans for new facilities, vehicles, and equipment. Planned facilities may include a fire stations to replace and expand Stations 1 and 4. The planned facilities will increase the City's inventory of fire facilities and will serve both existing and new development. Dispatch has no present plans for new building facilities, as it currently occupies space in the City of Brea Civic and Cultural Center. However, the City does plan to acquire a create an integrated crime center, pursue an unmanned aerial system and a drone first responder program. Preliminary facility needs are described in the "Facility Inventories, Plans & Standards" section of each chapter.

Although the City of Brea has developed a preliminary facilities plan, an acceptable use of initial fee revenues would be to fund facilities master planning to more specifically identify capital facilities necessary to serve new development. Upon completion of the facilities master planning effort and the identification of capital facilities needed to accommodate growth, the City should update its public facilities fee program to include these new projects and any financing costs that may be required to construct facilities when needed.

Through the process of preparing facilities master plans, the City may choose to raise its facilities standards above the existing levels. These increased facility standards would then be documented in a fee update. In this situation, new development would pay a fee based on this higher standard. However, using a facility standard that is higher than the existing inventory standard creates a deficiency for existing development. The City would have to secure non-fee funding for that portion of planned facilities required to correct the deficiency caused by this higher standard.

By nature, cash flow from public facilities fee revenues is constrained by rates of growth and the timing of revenue collection. Since public facilities fees represent a pay-as-you-go system, cities may confront the problem of only being able to partially fund large projects with fee revenues at the time of project implementation. Therefore, facilities needs may require alternative financing options in order to implement projects in a timely manner. The cost of financing (e.g. interest payments) can legitimately be included in the public facilities fee.

Finally, all fee-funded capital projects should be identified and programmed in a manner consistent with the 5-year reporting requirements outlined in the Mitigation Fee Act. The City of Brea also maintains a 7-year Capital Improvement Plan (CIP), which can be used to identify and direct its fee revenue to public facilities projects that will accommodate future growth. Both the CIP and impact fee documentation should be adjusted as needed should the City's capital facilities plans change substantially. By programming fee revenues to specific capital projects, the City of Brea can identify the use for fee revenues as expressly required by the Mitigation Fee Act.

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 to calculate both 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 and dispatch fee. The formula is:

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

In the case of an 800 square foot ADU and a 1,600 square foot primary residence, the fire and dispatch 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.

Factors Driving Changes to Impact Fee Schedule

The maximum allowable fees are increased compared to the City's existing fee schedule. The primary drivers of these changes are found in the following areas: demographics, the estimated replacement cost of existing facilities and changes to the City's dispatch service relationship with Yorba Linda.

Changes to Demographics

Service Population

Estimates of the existing service population and projected growth have been updated using the most recent data available. Use of the existing standard means that the existing service population (residents plus weighted workers) relative to the replacement value of the existing inventories of facilities is what drives the fee calculations. The residential population has increased from 39,600 to 46,872 between 2006 and 2022. The number of employees working in Brea has increased from 38,500 to 52,506 during the same time period. The projected increase in service population drives the estimates of projected fee revenue.

Occupancy Density Factors

Development impact fees are calculated per person for both residential and commercial developments. The density of developments will determine the amount of the per person calculated impact fee applied to each unit of development. This analysis uses the most recent occupancy density data available to calculate the fee schedule. The residential factor did not change significantly. For the nonresidential land uses, this update assumes fewer commercial employees per 1,000 square feet (1.94 versus 2.34), more office employees per 1,000 square feet (3.96 versus 3.27) and fewer industrial employees per 1,000 square feet (1.50 versus 1.69) compared to the 2006 study.

Ratio of Residents to Workers and Worker Demand Factor

This analysis uses the most recent available call data and estimates of service population to estimate worker demand factors. These factors are used to allocate fee responsibility between residential and nonresidential development. The City's 2006 study assumed a worker demand factor of 0.24 for fire facilities and 1.25 for dispatch facilities. In this report the assumed worker demand factor was 0.63 for fire facilities and 1.32 for dispatch facilities. Updating these factors using the latest available call data had the effect of shifting more of the facilities burden towards nonresidential development, justifying larger increases in the nonresidential fee schedule.

Replacement Cost of Facilities

The projected replacement cost of fire protection and dispatch facilities in the City of Brea has been adjusted to reflect current replacement cost. See **Table 3.6** and **Table 4.4** for detailed facilities and equipment costs. As noted above, the replacement value of the current inventory of facilities drives the calculation of the existing facilities standard that is used to calculate the impact fees. The 2006 study assumed a replacement cost of \$15.9 million for fire facilities and \$1.1 million for dispatch facilities. This current study estimates the replacement cost of the current fire facilities inventory at \$41 million and the replacement cost of the current dispatch facilities at \$2.8 million.

Changes to Dispatch Service Relationship with Yorba Linda

Prior to 2013 the City of Brea shared dispatch services with the City of Yorba Linda. Contractually this resulted in Brea funding 60.8 percent of existing and planned dispatch facilities. The City of Brea no longer shares those facilities with Yorba Linda. Consequently, the entirety of the dispatch facilities value is assigned to the City of Brea when calculating the existing facilities standard.

COVID-19 Disclaimer

The analysis contained in this report does not make any assumptions regarding the effect of the COVID-19 pandemic on development. It assumes that the population projection to 2040 from the Brea Police Needs Assessment (2020) and current and future employment estimates from Center for Demographic Research (CDR) data are still valid within the 20-year planning horizon of the study.

Organization of the Report

The determination of a public facilities fee begins with the selection of a planning horizon and development of projections for population and employment. These projections are used throughout the analysis of both fire protection and dispatch facilities and are summarized in Chapter 2. Chapters 3 and 4 are devoted to documenting the maximum justified public facilities fee for fire protection facilities and dispatch facilities, respectively.

Chapter 5 describes how this report complies with the newly implemented requirements of AB602.

Chapter 6 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 public facilities fees in accordance with the *Mitigation Fee Act (codified in California Government Code Sections 66000 through 66025)* are summarized in Chapter 7.

2. Demographic Assumptions

To assist in determining the appropriate fee structure, existing development estimates, and new development growth projections are used. Projected new development is estimated using the existing service population in 2021 as a base year with a planning horizon through the year 2040.

Demographic Assumptions for City of Brea

Table 2.1 summarizes the demographic assumptions used in this analysis. The base year for this study is the year 2021, which represents the latest year for which detailed statistics were available at the time the research for the study was conducted. The existing facilities in 2021 are used to calculate the existing facilities standard in our study.

The base year residential estimate is calculated using the California Department of Finance (DOF) January 1, 2022 estimates. The population projection for 2040, an expected increase of roughly 11,641 residents, is from Brea Police Needs Assessment 2020. Current and future employment estimates are from Center for Demographic Research (CDR).

Table 2.1: Demographic Assumptions

	Residents	Workers
Existing (2022)	46,872	52,506
New Development (2022-2040) ¹	11,641	1,929
Total (2040)	58,513	54,435

¹ New residential development growth projection from 2020 Brea Police Needs Assessment. Nonresidential growth projections from CDR 2018 Orange County Projections.

Sources: Brea Police Needs Assessment; Center of Demographic Research (CDR), California Department of Finance (DOF), Table E-5 2021; Cal State Fullerton: Center for Demographic Research, Orange County Projections 2018.

Service Population

Different types of new development use public facilities at different rates in relation to each other, depending on the services provided. In Chapters 3 and 4, a specific service population is identified for each facility category to reflect total demand. The service population weights residential land use types against nonresidential land uses based on the relative demand for services between residents and workers.

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 public facilities fee would be calculated separately for each land-use type.

The City should have the discretion to impose the public facilities 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.

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 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, 2015-2019 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 non-residential density factors are based on the Employment Density Study Summary Report, prepared for the Southern California Association of Governments, by The Natelson Company. The specific factors used in this report are based on data for Orange County.

Table 2.2: Occupancy Density Assumptions

<i>Residential</i>	2.67	Persons per dwelling unit
<i>Nonresidential</i>		
Commercial	1.94	Employees per 1,000 sq. ft.
Office	3.96	Employees per 1,000 sq. ft.
Industrial	1.50	Employees per 1,000 sq. ft.

Sources: U.S. Census Bureau, 2019 American Community Survey 5-Year Estimates (Table B25024 and B25033); The Natelson Company, Inc., Employment Density Study Summary Report, prepared for the Southern California Association of Governments, October 31, 2001 using data for Orange County.

3. Fire Protection Facilities

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 Brea 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 shows the estimated service population in 2022 and 2040. To calculate the service population for fire protection facilities, residents are weighted at 1.00. The use of a worker demand factor of 0.63 for workers in the City of Brea is based on call data provided by the City of Brea Fire Department. Dividing total calls to nonresidential areas by total 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 shown in **Table 3.1**.

Table 3.1: Fire Protection Facilities Service Population

	A	B	C	$D = A + (B \times C)$
	Residents ¹	Workers ¹	Worker Demand Factor ²	Service Population
Existing (2022)	46,872	52,506	0.63	79,951
New Development (2022-2040)	<u>11,641</u>	<u>1,929</u>	<u>0.63</u>	<u>12,856</u>
Total Development (2040)	58,513	54,435	0.63	92,807

¹ Center of Demographic Research (CDR) Projections.

² Worker demand factor is calculated using call data provided by the City of Brea Fire Department to arrive at calls per capita for both residential and worker population. The final worker demand factor is derived by dividing calls per capita of workers by calls per capita of residents. Call data is from March 1, 2018 through August 31, 2019.

Sources: City of Brea Fire Department Call data from March 1, 2018 thru August 31, 2019; Table 2.1, Willdan Financial Services

Facility Inventories, Plans & Standards

This study uses the existing standard to calculate fees for fire protection facilities. Fire protection in the City of Brea is currently serviced by four stations, with plans that may include replacing and enlarging an existing station in order to service projected population growth.

Table 3.2 shows the existing building and land values by facility. The unit cost per acre is based on data from a Federal Housing Finance Agency study of the cost of residential by zip code. The unit cost of \$877 per square foot for buildings is based on the average cost of replacing a standard fire station, as estimated by a local contractor in July 2012 and adjusted to current costs (March 2022) using the Engineering News Record (ENR) Building Cost Index.

Table 3.2: Existing Land and Building Facilities

	Amount ¹	Unit Cost ²	Replacement Cost
<u>Station 1: 555 N. Berry St. (92821)</u>			
Land	1.06 acres	\$ 1,784,300	\$ 1,891,400
Building ³	5,216 sq. ft.	877	4,575,900
Subtotal			\$ 6,467,300
<u>Station 1 Training Tower⁴</u>			
Building	2,368 sq. ft.	219	\$ 519,500
<u>Station 2: 200 N. Brea Blvd. (92821)</u>			
Land	1.11 acres	\$ 1,784,300	\$ 1,980,600
Building ³	13,000 sq. ft.	877	11,404,700
Subtotal			\$ 13,385,300
<u>Station 3: 2600 Santa Fe Rd. (92821)</u>			
Land	1.19 acres	\$ 1,784,300	\$ 2,123,300
Building ³	8,274 sq. ft.	877	7,258,700
Subtotal			\$ 9,382,000
<u>Station 4: 198 N. Olinda Pl. (92823)</u>			
Land	0.26 acres	\$ 1,743,400	\$ 453,300
Building ^{3, 5}	3,196 sq. ft.	877	-
			\$ 453,300
Total Value Existing Facilities			\$30,207,400

¹ Existing facilities per City of Brea

² Figures have been rounded.

³ Cost per square foot is based on the average cost of replacing a standard fire station in 2012, adjusted to current construction costs.

⁴ A city building official estimates the replacement value of the training tower at \$300,000. This estimate is then adjusted for inflation by the *Engineering News Record's* Building Cost Index.

⁵ No value shown for this building because it will be replaced by an expanded planned facility, shown in Table 3.7.

Source: City of Brea; Engineering News Record, Building Cost Index, 2022; FHFA Working Paper 19-01 (Jan. 2019): The Price of Residential Land for Counties, ZIP Codes, and Census Tracts in the United States.

Table 3.3 details the current inventory of vehicles used for fire protection services. Where appropriate, vehicle and equipment values have been accounted for separately. Equipment, when shown, is the value of equipment carried on each vehicle. For the remainder of the vehicles there either is no additional equipment, or it was not possible to separate the vehicle and equipment costs. The value of vehicles acquired prior to 2013 has been cost adjusted to current costs using the Consumer Price Index.

Table 3.3: Existing Apparatus and Equipment Inventory and Valuation

Vehicle Type and Make	Unit ID #	Vehicle ¹	Equipment ¹	Total ²
<u>Type 1 Engines</u>				
Pierce Arrow XT		\$ 906,195	\$ 10,000	\$ 916,195
Pierce Arrow XT		906,195	10,000	916,195
Pierce Arrow XT		906,195	170,000	1,076,195
2019 Pierce Arrow XT	1915	695,000	100,000	795,000
2012 Pierce Arrow ²	1202	<u>611,800</u>	<u>124,900</u>	<u>736,700</u>
Subtotal, Type 1 Engines		\$ 4,025,384	\$ 414,900	\$ 4,440,284
<u>Type 3 Engine</u>				
2015 Pierce Brush - Rig	1520	\$ 360,000	\$ 110,000	\$ 470,000
2012 Pierce Brush - Rig ²	1201	<u>444,500</u>	<u>137,400</u>	<u>581,900</u>
Subtotal, Type 3 Engines		\$ 804,500	\$ 247,400	\$ 1,051,900
<u>Ladder Truck</u>				
2007 Pierce 100' Tiller Truck ²	27008	\$ 1,123,800	\$ 224,800	\$ 1,348,600
2022 Tiller Truck		<u>1,988,162</u>	<u>150,000</u>	<u>2,138,162</u>
Subtotal, Type 3 Engines		\$ 3,111,962	\$ 374,800	\$ 3,486,762
<u>Other Vehicles</u>				
2010 Chev. Suburban ²	1030	\$ 57,400	\$ 67,400	\$ 124,800
2016 Ford Explorer	1605	40,000	5,000	45,000
2018 Ford Explorer	1901	40,000	10,000	50,000
2016 Ford Explorer - EMS	1606	40,000	5,000	45,000
2018 Can Am "Prowler" Rescue ATV	1829	35,000	10,000	45,000
2018 Sun Country 18 X 12 ATV Trailer	N/A	3,100	500	3,600
2020 Ford F350 - Utility Truck	2039	78,940	-	78,940
2022 Ford F250	2114	64,970	99,160	164,130
2017 Ford F150	1707	50,000	25,000	75,000
2020 Dodge Durango		28,769	-	28,769
2021 Ford Explorer		48,093	10,000	58,093
2021 Honda Pilot		41,672	-	41,672
2020 Dodge Durango		32,325	-	32,325
2010 UASI Energ. Box Trailer		-	-	-
Subtotal, Other Vehicles		\$ 560,270	\$ 232,060	\$ 792,330
Total All Vehicles & Equipment		\$ 8,502,115	\$ 1,269,160	\$ 9,771,275

¹ Value based on current replacement value.

² 2012 Values from previous impact fee study adjusted using the 2021 CA Consumer Price Index.

Sources: City of Brea; CA Dept. of Industrial Relations; California Consumer Price Index.

Table 3.4 lists additional fire protection equipment owned by the Department and used in each of the individual fire stations. The table lists each of the existing fire stations and the equipment specific to each particular station. Estimates of the replacement value in 2012 were adjusted to current costs using the Consumer Price Index.

Table 3.4: Brea Fire Special Equipment

Description	Replacement Value
<u>Station 1: 555 N. Berry St.</u>	
Air Compressor	\$ 2,200
Flag Pole	2,500
Work Shop Bench	1,000
Hoist @ Training Tower	4,400
Storage Building	12,500
Computer Equipment	11,100
Phone Equipment	32,100
Station Alert ²	-
Furnishings	<u>29,000</u>
Subtotal, Station 1	\$ 94,800
<u>Station 2: 200 N. Brea Blvd.</u>	
Air Compressor	\$ 1,900
Flag Pole	5,000
Work Shop Bench	7,500
Fuel Pump and Cover	12,500
Above-ground Fuel Tank	62,400
Computer Equipment	18,700
Phone Equipment	32,100
Station Alert ²	-
Furnishings	<u>18,000</u>
Subtotal, Station 2	\$ 158,100
<u>Station 3: 2600 Santa Fe Rd.</u>	
Air Compressor	\$ 1,900
Flag Pole	5,000
Work Shop Bench	7,500
Hoist @ Hose Tower	5,000
Fuel Pump and Cover	12,500
Underground Fuel Tank	62,400
Computer Equipment	6,700
Phone Equipment	32,100
Station Alert ²	-
Furnishings	<u>17,500</u>
Subtotal, Station 3	\$ 150,600
<u>Station 4: 198 N. Olinda Pl</u>	
Work Shop Bench	\$ 1,900
Computer Equipment	3,500
Phone Equipment	5,000
Station Alert ²	-
Air Compressor ¹	1,500
Furnishings	<u>18,700</u>
Subtotal, Station 4	\$ 30,600
Combustible Gas Soil Monitoring System	\$ 12,500
Total Equipment Value	\$ 446,600

Note: All values based on 2012 replacement value CPI adjusted to current costs. Does not include equipment on engines (see Table 3.3).

¹ Air compressor cost estimated for this fee study, not CPI adjusted.

² No value shown for station alert since they will be replaced by planned facilities.

Source: City of Brea; Willdan.

Table 3.5 lists personal safety equipment owned by the Department.

Table 3.5: Brea Fire Safety Gear Inventory

Description	Units	Unit Cost	Total
<i>Safety Gear</i>			
Ringers Work Gloves	60	\$ 43	\$ 2,580
Suspenders	84	56	3,360
Turnout Coats	97	2,250	218,250
Turnout Pants	97	1,317	127,749
Turnout Boots (Leather)	45	630	28,350
Turnout Boots (Rubber)	55	199	10,945
Fire Helmets	54	300	16,200
Structure Gloves	90	94	8,460
Brush Jackets	90	428	38,520
Brush Pants	90	349	31,410
Brush Helmets	54	79	4,266
Brush Web Gear	55	550	30,250
Brush Pant Belt	55	48	2,640
Goggles	50	58	2,900
Hood	100	108	10,800
I.D. Helmet Shield	50	60	3,000
Safety Boots	45	386	17,370
Brush Boots	45	409	18,405
Helmet Light (wildland)	50	65	3,250
Helmet Light (structure)	50	95	4,750
Flash light (structure coat)	50	75	3,750
Gear Bag	50	180	9,000
Brush Gloves	60	41	2,460
Fire Shelter	20	600	12,000
Hose Clamp on Web Gear	20	319	6,380
Out of County Bag	30	179	5,370
Subtotal Safety Gear			\$622,415

Note: All values based on current replacement value. Does not include equipment on engines (see Table 3.3).

Source: City of Brea.

Table 3.6 summarizes the total value of the existing fire facilities inventory, which includes the total value of facilities, apparatus, and equipment. The total value for the fire facilities inventory is approximately \$40.9 million.

Table 3.6: Total Value of Existing Fire Protection Facilities Inventory

Description	Value
Facilities	\$ 30,207,400
Apparatus	9,771,275
Special Equipment	446,600
Safety Gear	622,415
Total	\$ 41,047,690

Sources: Tables 3.2 through 3.5.

Table 3.7 details the preliminarily planned facilities, vehicles, and equipment to be funded by the fire protection facilities impact fee revenue. These are potential projects that the city may pursue. Fully funding this project list is contingent on identifying additional funding beyond impact fees.

Table 3.7: Preliminarily Planned Fire Facilities

Description	Total
Mobile Emergency Operations Center (EOC)	\$ 200,000
“Heli-hydrant” tank systems	200,000
An additional Rescue ATV	35,000
Type 6 Fire Engine	250,000
Station technology to incorporate real time traffic information, weather information, mapping information, department information, and response information in and around the stations	200,000
Department “rehab” unit for the rehabilitation of firefighters during large incidents requiring medical rehabilitation and evaluation after firefights/haz-mats/heavy rescues	225,000
Replace and Expand New Station 4 to accommodate new apparatus	3,000,000
Chief Officer command unit	150,000
Two Paramedic Squads	500,000
One Ambulance	400,000
Butler Building	300,000
Prevention Truck with Equipment	150,000
Upgraded Station Alerting System	150,000
Type 1 Engine at Station 2	1,700,000
Additional Command Vehicle	250,000
Station 1 (Remodel and expand to accommodate additional staffing)	30,000,000
Training Facility	500,000
Two Safety Vehicles, Command Units	300,000
Utility Truck	100,000
Total	\$ 38,610,000

Source: Brea Fire Department.

Facility Standard

Table 3.8 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 0.63 to determine the facility standard per worker.

Table 3.8: Fire Protection Facilities - Existing Standard

Existing Fire Facilities	\$ 41,047,690
Existing Service Population	<u>79,951</u>
Facility Standard per Capita	\$ 513
Cost per Resident	\$ 513
Cost per Worker ¹	323

¹ Worker weighting factor applied to cost per resident.

Sources: Tables 3.1 and 3.6.

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 pursue the facilities in Table 3.7, not all of the identified facilities can be fully funded with impact fee revenue. The City will need to identify additional funding sources to fully fund the planned facilities. However, so long as the fee revenue is spent on capacity expanding facilities, then it will have been spent appropriately. **Table 3.9** details a projection of fee revenue, based on the service population growth increment identified in Table 3.1.

Table 3.9: Projected Fire Protection Facilities Impact Fee Revenue

Existing Facility Standard per Capita	\$ 513
Service Population Growth Within City (2022-2040)	<u>12,856</u>
Total Projected Fire Facilities Impact Fee Revenue	\$ 6,595,100

Sources: Tables 3.1, 3.7 and 3.8.

Fee Schedule

Table 3.10 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 3.10: Fire Protection Facilities Impact Fee - Existing Standard

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>	\$ 513	2.67	\$ 1,370	\$ 27	\$ 1,397	\$ 0.88
<i>Nonresidential - Fee per 1,000 Sq. Ft.</i>						
Commercial	\$ 323	1.94	\$ 627	\$ 13	\$ 639	\$ 0.64
Office	323	3.96	1,279	26	1,305	1.31
Industrial	323	1.50	485	10	494	0.49

¹ Fee per 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 1,589 square feet per dwelling unit in the Los Angeles-Long Beach MSA per the 2019 American Housing Survey.

Sources: Tables 2.2 and 3.8.

4. Dispatch Facilities

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

Service Population

Dispatch 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 4.1 shows the estimated service population in 2021 and 2040. To calculate the service population for fire and police dispatch facilities, residents are weighted at 1.00. The use of a worker demand factor of 1.32 for workers in the City of Brea is based on call data provided by the City of Brea Fire and Police Departments. Dividing total calls to nonresidential areas by total 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 shown in **Table 4.1**.

Table 4.1: Fire and Police Dispatch Facilities Service Population

	A	B	C	D = A+(B x C)
	Residents ¹	Workers ¹	Worker Demand Factor ²	Service Population
Existing (2022)	46,872	52,506	1.32	116,200
New Development (2022-2040)	11,600	1,929	1.32	14,200
Total Development (2040)	58,513	54,435	1.32	130,400

¹ Center for Demographic Research (CDR) Projections.

² Worker demand factor is calculated using call data provided by the City of Brea Fire and Police Departments to arrive at calls per capita for both residential and worker population. The final worker demand factor is derived by dividing calls per capita of workers by calls per capita of residents. Call data is from March 1, 2018 through August 31, 2019.

Source: Table 2.1; Willdan Financial Services.

Facility Inventories, Plans & Standards

This study uses the existing 2021 facilities standard to calculate fees for dispatch facilities. That is, the fees are based on the per capita value of the existing facilities inventory in 2021. Dispatch services in the City of Brea are based out of the Civic and Cultural Center.

Dispatch occupies 2,226 square feet of the Civic and Cultural Center or 2.3 percent of the total Civic and Cultural Center building space. To calculate land area dedicated to dispatch, 2.3 percent of the total Civic and Cultural Center acreage is proportionally assigned to dispatch. The total land area of the Civic and Cultural Center is 3.96 acres. Accordingly, 0.09 acres of the Civic and Cultural Center site is allocated to dispatch.

Table 4.2 shows the existing building and land values for dispatch facilities in the City of Brea. Building value has been adjusted from 2012 to current values using the Engineering News Record’s Construction Cost Index.

Table 4.2: Existing Land and Building Facilities

	Amount	Unit Cost ¹	Total Cost
<i>Dispatch Facility(92821)²</i>			
Land ³	0.09 acres	\$ 1,784,300	\$ 160,600
Building ^{4, 5}	2,226 sq. ft.	745	<u>1,658,370</u>
Total Value Existing Facilities			\$ 1,818,970

¹ Unit cost for land is an estimate based on the appraised land values for zip code 92821. Land unit cost is rounded to the nearest hundred. Building unit cost is rounded to the nearest dollar.

² Dispatch facility occupies 2.3 percent of Civic and Cultural Center.

³ Land area shown is 2.3 percent of total Civic and Cultural Center acreage of 3.976 acres.

⁴ Dispatch is allocated 2.3 percent of the Civic and Cultural Center based on the square footage of the building that dispatch occupies relative to other uses. Building cost is based on percentage of total building construction cost of Civic and Cultural Center.

⁵ Total cost for building value is increased for construction cost inflation from 2012 to March 2022 by 20 percent using ENR Building Cost Index.

Source: City of Brea; Engineering News Record: Building Cost Index, 2012 - March 2022, <https://www.enr.com/topics/604-construction-economics>

Table 4.3 details the current inventory of equipment used for dispatch services.

Table 4.3: Brea Dispatch Special Equipment Inventory

Description	Units	Unit Cost	Total
Genesis Genwatch3	1	\$ 24,486	\$ 24,490
CAD/RMS - Spillman	1	860,379	860,379
800 Mhz Radio Equipment	2	1,651	3,302
Motorola emergency handset portable	4	5,121	20,484
Motorola Console Radio And Remote	5	5,385	26,925
Ups	1	16,200	16,200
Plantronic Headsets	13	100	1,300
Plantronic Mute Switches	13	35	455
Wireless Headsets	5	560	2,800
Ear Molds	13	150	1,950
Ear Molds Headset	13	100	1,300
Voice Logger	1	35,000	35,000
Dispatch Chairs	3	1,000	3,000
Hp Color Laser Printer	1	2,000	2,000
Total			\$ 999,585

Source: City of Brea.

Table 4.4 summarizes the total value of City's existing dispatch facilities inventory, which includes the total value of facilities and equipment. The total value for the dispatch facilities inventory is roughly \$2.8 million.

Table 4.4: Total Value of Existing Dispatch Inventory

Description	Value
Dispatch Equipment	\$ 999,585
Facilities	1,818,970
Total	\$2,818,555

Sources: Tables 4.2 and 4.3.

Table 4.5 details the City's preliminary list of dispatch facility needs. The total cost of these planned facilities is \$610,000. Note that the costs listed for the drone first responder program (DFR) are the capital costs associated with that program.

Table 4.5: Planned Dispatch Facilities

Description	Total
Integrated Crime Center (ICC)	\$ 500,000
Unmanned Aerial System (UAS)	20,000
Drone First Responder (Program)	<u>90,000</u>
Total	\$ 610,000

Source: City of Brea.

Facility Standard

Table 4.6 shows the existing per capita investment in dispatch facilities. This value is calculated by dividing cost of existing facilities by the existing service population. The value per capita is multiplied by the worker weighting factor of 1.32 to determine the facility standard per worker.

Table 4.6: Dispatch Facilities - Existing Standard

Existing Dispatch Facilities	\$ 2,818,555
Existing Service Population	<u>116,200</u>
Facility Standard per Capita	\$ 24
Cost per Resident	\$ 24
Cost per Worker ¹	32

¹ Worker weighting factor of 1.32 applied to cost per resident.

Sources: Tables 4.1 and 4.4.

Projected Revenue

The City plans to use dispatch facilities fee revenue to construct improvements to expand the system of dispatch facilities to serve new development. While the City plans to acquire the facilities in Table 4.5, not all the identified facilities can be fully funded with impact fee revenue. The City will need to identify additional funding sources to fully fund the planned facilities. However, so long as the fee revenue is spent on capacity expanding facilities, then it will have been spent appropriately.. **Table 4.7** details a projection of fee revenue, based on the service population growth increment identified in Table 4.1.

Table 4.7: Projected Dispatch Fee Revenue

Value of Dispatch Facility Standards per Capita	\$	24
Service Population Growth Within City (2022-2040)		14,200
Total Projected Dispatch Facilities Impact Fee Revenue	\$	340,800

Sources: Tables 4.1, 4.5 and 4.6.

Fee Schedule

Table 4.8 shows the maximum justified dispatch 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) from 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 4.8: Dispatch Facilities Impact Fee - Existing Standard

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>	\$ 24	2.67	\$ 64	\$ 1	\$ 65	\$ 0.04
<i>Nonresidential - per 1,000 Square Feet</i>						
Commercial	\$ 32	1.94	\$ 62	\$ 1	\$ 63	\$ 0.06
Office	32	3.96	127	3	129	0.13
Industrial	32	1.50	48	1	49	0.05

¹ Fee per 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 1,589 square feet per dwelling unit in the Los Angeles-Long Beach MSA per the 2019 American Housing Survey.

Sources: Tables 2.2 and 4.6.

5. 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

Both fees calculated in this study use the existing standard methodology and assume no changes in the existing 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 investment per capita is shown in each corresponding chapter.

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

See the “Factors Driving Changes to Impact Fee Schedule” section in Chapter 1 for an analysis of the assumptions from the original 2006 study, and how those assumptions have been updated in this 2023 study.

Table 5.1 evaluates the amount collected under the City's existing fee program since 2013. On average the City has collected nearly \$16,000 annually in dispatch fee revenue and \$204,000 annually in fire fee revenue.

Table 5.1: Historical Impact Fee Revenue

	Dispatch Facilities Impact Fee Revenue		Fire Facilities Impact Fee Revenue	
2013	\$	8,940	\$	113,392
2014		11,420		206,927
2015		32,525		211,271
2016		22,205		314,809
2017		40,416		453,052
2018		5,285		128,065
2019		480		18,837
2020		29,320		534,073
2021		2,106		38,318
2022		5,579		19,373
Annual Average	\$	15,828	\$	203,812

Source: City of Brea.

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 within each facility fee chapter. Adoption of this nexus study would approve the planned facilities identified herein as the Capital Improvement Plan for this nexus study. Note that the projects shown in the CIP are not necessarily intended to be fully funded with impact fee revenue; rather, they are capacity expanding projects that are eligible for impact fee revenue. The exact amount of impact fee revenue programmed to a given project will be determined annually through the City's capital planning process.

Also 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 in each fee chapter.

6. Implementation

Impact Fee Program Adoption Process

Impact fee program update 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

The City can keep its impact fee program up to date by periodically adjusting the fees for inflation. Such adjustments should be completed regularly to ensure that new development will fully fund its share of needed facilities. We recommend that the *California Construction Cost Index* be used for adjusting fees for inflation. The California Construction Cost Index is based on data from the Engineering News Record and is aggregated and made available for free by the State of California.

The fee amounts can be adjusted based on the change in the index compared to the index in the base year of this study (2023).

While fee updates using inflation indices are appropriate for periodic updates to ensure that fee revenues keep up with increases in the costs of public facilities, the City will also need to conduct more extensive updates of the fee documentation and calculation (such as this study) when significant new data on growth forecasts and/or facility plans become available. Note that decreases in index value will result in decreases to fee amounts.

Reporting Requirements

The City should comply with the annual and five-year reporting requirements of the Act (California Government Code 66001 (d) (1) through (4)). For facilities to be funded by a combination of public fees and other revenues, identification of the source and amount of these non-fee revenues is essential. Identification of the timing of receipt of other revenues to fund the facilities is also important.

Fee Accounting

The City should deposit fee revenues into separate restricted fee accounts for each of the fee categories identified in this report.

Programming Revenues and Projects with the CIP

The City should consider adopting a Capital Improvements Program (CIP) to adequately plan for future infrastructure needs. The CIP should also identify fee revenue with 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.

With or without a CIP, 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.

7. 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 for fire and dispatch capital improvements 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 and dispatch 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).*

We expect that the City will restrict fee revenue to the acquisition of land, construction of facilities and buildings, and purchase of related equipment, furnishings, vehicles, and services used to serve new development in the City of Brea. Facilities funded by the fees are expected to provide a citywide network of facilities accessible to the additional residents and workers associated with new development. The fees calculated in this report will fund only the expansion of fire protection and dispatch facilities similar to those currently owned by the City and listed in Chapters 3 and 4. 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 and the new development residential and nonresidential use classifications that will pay 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 correlates to the demand for fire and dispatch facilities.

For both fire protection and dispatch 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 an analysis of the relative use demand between residential and non-residential development. The worker demand factor for each facility category was calculated separately based on call data provided by the City of Brea.

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 each facility category chapter for a description of how service population is determined for different types of land uses. See the Fee Schedule section of each facility category chapter for a presentation of the proposed facilities fees.