

Thursday, June 15, 2017

Submitted via e-mail

droberts@edhfire.com

Dave Roberts, Fire Chief
El Dorado Hills Fire Department
1050 Wilson Blvd.
El Dorado Hills, CA 95762

Re: Proposal for Fire Impact Fee Nexus Study and Related Consulting Services for the El Dorado Hills Fire Department

Dear Chief Roberts:

Per your request, **SCI Consulting Group** ("SCI") is pleased to submit, for your review, this proposal to provide a Fire Impact Fee Nexus Study ("Nexus Study") and related consulting services for the El Dorado Hills Fire Department ("Department"). We understand that the Department would like to update their fire impact fee program. The Nexus Study would establish the legal and policy basis for imposing an updated fire impact fee on the new residential and nonresidential development within the District. Specifically, the Nexus Study and the updated fee program will comply with the substantive and procedural requirements of the Mitigation Fee Act ("Act") which are as follows:

1. Identify the purpose of the fee.
2. Identify the use to which the fee is to be put.
3. Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed ("benefit relationship").
4. Determine how there is a reasonable relationship between the need for the facilities and the type of development project on which the fee is imposed ("impact relationship").
5. Determine how there is a reasonable relationship between the amount of the fee and the cost of the facilities or portion of the facilities attributable to the development on which the fee is imposed ("proportional relationship").

SCI has been serving California public agencies for over 32 years. We firmly believe that our extensive expertise with impact fee programs and other fire protection funding mechanisms, and our unique understanding of El Dorado County offers the Department the best opportunity for establishing an updated fire impact fee program in the most timely, legally compliant and defensible manner. Our approach to the Nexus Study would be based on a close interaction and coordination of the project with Department staff and other key stakeholders. If selected, SCI Consulting Group would provide comprehensive services in a manner that limits the time and resources of the Department.

We have provided a copy of a recently adopted Fire Impact Fee Nexus Study for the Truckee Fire Protection District as a sample of our work quality. Additionally, we have enclosed a session presented at the California Association of Park and Recreation Districts' 2011 Conference entitled *Strategies in Getting*

an Impact Fee Adopted which provides more information regarding SCI's capabilities and approach to getting a proposed fee program ultimately adopted and successfully implemented.

The Nexus Study would likely use a system-wide facilities standard methodology. Under this widely-used method, the Department's ratio of existing and planned fire protection facilities, apparatus and equipment to new development establishes a facilities standard for determining new development's fair share of the cost to improve and expand the Department's fire system. These costs are then applied to different land use categories in proportion to the need they create for fire protection and emergency response services to establish a cost/fee per square foot.

The Nexus Study would also detail the procedural requirements for approval of the Nexus Study and proposed fire impact fee program ("fee program") by the District Board of Directors and adoption by the City Council and County Board of Supervisors on behalf of the Department. Also, the Act contains specific requirements for the annual administration of the fee program.

WORK PLAN AND APPROACH

Based on our current understanding of the project, the technical analysis, and services needed by the Department, we propose the following scope of work and approach to the project:

Task 1: Initial Research and Planning

SCI will first review the Department's current fire impact fee program, applicable ordinances, the Department's Master Plan, Capital Improvement Plan, and other technical studies and plans related to funding of the proposed fire facilities, apparatus, vehicles, and equipment. SCI and the Department will then hold a project kick-off meeting to discuss the Department's goals and objectives and the proposed methodologies and approaches that will be used in the determination of the fee. We will also discuss the process of gathering all the available data and cost estimates needed for the project.

SCI understands that the Department will provide an inventory of the Department's fire facilities, apparatus, vehicles, and equipment; their associated replacement value; and some other statistical data. At the project kick-off meeting, SCI and Department staff will develop a detailed timeline, task list, and deliverables for the project.

Task 2: Impact Analysis and Fee Determination

Utilizing the information gathered in Task 1, SCI will determine the maximum fire impact fees to fund new development's fair allocation of the Department's capital improvement plan. The cost components of the fee will likely include fire facilities, apparatus, vehicles, and equipment. SCI and the Department will need to maintain a productive dialogue throughout this process to ensure cost allocation methodologies are appropriate and comply with the requirements of the Act. Upon completion of the initial cost allocation and fee determination, SCI will review the technical analysis, key findings and recommendations with Department staff and make any adjustments as necessary.

Task 3: Nexus Study Administrative Review Draft

SCI will then prepare a draft Nexus Study Report for administrative review and comment. The Nexus Study will include a summary of the fee methodology, approach, and findings along with technical analysis and

documentation to support the maximum fire impact fee. The Nexus Study will also provide the required findings to demonstrate compliance with nexus requirements of the Act. Furthermore, the Nexus Study will summarize the adoption, accounting and reporting requirements of the Act for implementation and annual administration of the updated fee program.

Task 4: Public Review Draft and Stakeholder Outreach

After review by Department staff, SCI will revise the administrative draft according to one set of consolidated comments from the Department. SCI will then provide a Public Review Draft of the Nexus Study and present it and the proposed fee program before the District Board, local developers, the North State Building Industry Association ("North State BIA"), and other key stakeholders. The purpose of these outreach meetings is to educate the stakeholders on the purpose and details of the updated fee program and solicit their input and support. A PowerPoint presentation will be prepared for each meeting to succinctly present the Department's plans, the cost allocation methodologies, and the updated fee program.

Task 5: Nexus Study Final Report and District Board Approval

After incorporating input from the District Board, the North State Building Industry Association, area developers, and other key stakeholders, SCI will make any necessary changes based on one set of consolidated comments from the District and provide a final Nexus Study Report. SCI will also review and present the Nexus Study and proposed fee program before the District Board and the public for approval. SCI will also make any revisions to the Nexus Study Final Report, if any, requested by the District Board.

Task 6: Adoption by Board of Supervisors. Upon approval of the fee program by the District Board, SCI will also review and present the Nexus Study and the proposed fee program before County staff, County Counsel and eventually the County Board of Supervisors and public for adoption.

In-Person Meetings. Based upon SCI's understanding of the common practice of the County and the North State BIA, and experience with similar projects, SCI anticipates the need for at least five (5) in-person meetings detailed below:

- One (1) meeting with Department staff to kick off the Project.
- One (1) outreach meeting after the preparation of the Public Review Nexus Study before the North State BIA, area developers, and other key stakeholders.
- Two (2) meetings of the District Board and the public.
- One (1) meeting before the County Board of Supervisors and public.

Additional meetings, assistance, or participation in further presentations, beyond our proposed five (5) in-person meetings, will be billed at our hourly billing rate for the duration of the project.

DEPARTMENT RESOURCES

SCI will carry out all tasks specified in the Work Plan and any other related services, as appropriate, for the preparation of the Nexus Study. The Department would be responsible for the following:

- Meet or video conference periodically with SCI as needed.

- Provide information and documentation regarding the Department's Master Plan, capital improvement plan, inventory of existing facilities, apparatus, vehicles and equipment, an estimate of their associated replacement value, and additional data as requested.
- Assist with planning, review, and coordination of action items.

TENTATIVE TIMELINE

We anticipate that preparation of the Public Review Nexus Study and stakeholder outreach meetings would take approximately 3 to 4 months. The timeline will in part depend on the availability of the required data and cost estimates and level of stakeholder outreach. District Board approval of the updated fee program could occur the following month or subsequent month, depending on the District's Board meeting calendar and ability to satisfying the noticing requirements.

The review by County staff and County Counsel and final adoption by the County Board of Supervisors will likely take another 2 to 3 months. As required by law, the updated fire impact fee could become effective 60 days after adoption.

FEE SCHEDULE / MANNER OF PAYMENT

Compensation for the preparation of a Fire Impact Fee Nexus Study and related consulting services shall be a fixed fee of \$17,850. After the completion of each task, SCI shall submit an invoice for the work performed.

The scope of work includes up to five (5) in-person meetings. Compensation for additional meetings and out-of-scope services shall be billed at the hourly bill rate of \$165 per hour. Travel time shall be billed at 50% of the hourly bill rate.

Incidental costs incurred by SCI for the purchase of property or statistical data, travel, and other out-of-pocket expenses incurred in performing the scope of work shall be reimbursed at actual cost. We estimate these costs to be approximately \$500.

Note: The fire impact fees justified by the Nexus Study will include and recover the costs associated with preparation and implementation of the Nexus Study and related consulting services.

ABOUT SCI CONSULTING GROUP

Established in 1985, **SCIConsultingGroup** is a recognized public finance consulting firm with leading expertise in assisting California public agencies with local funding of public services and improvements. We also possess industry leading expertise with the important legal and procedural requirements for establishing development impact fee programs, Community Facilities Districts, Benefit Assessment Districts, and other local financing mechanisms. SCI has prepared over 120 development impact fee nexus studies and facility financing plans. SCI has also formed and annually administers over 900 special taxes, assessments, and fees for over 150 public agencies throughout the State.

This expertise and experience will ensure that the Department's goals and objectives are met successfully, collaboratively, on schedule and on budget.

FIRE AGENCY CLIENTS (partial list) *

Auberry Fire CSA50	Georgetown FPD	River Delta Fire District
Calaveras Consolidated FPD	Greenfield FPD	Rodeo-Hercules FPD
Cameron Park CSD	Groveland CSD	San Miguel Consolidated FPD
Carmel Valley FPD	Higgins FPD	Shasta Lake FPD
City of Santa Barbara FD	Hopland FPD	South Lake County FPD
County of Santa Barbara FD	Lake Valley FPD	South Placer FPD
County of Placer	Loomis FPD	Spalding CSD
Cordelia FPD	Mi-Wuk/Sugar Pine FPD	Templeton CSD
Cosumnes FD	Monterey County Regional FD	Truckee FPD
Delta FPD	Newcastle FPD	Twain Harte CSD
Diamond-Springs El Dorado FPD	Nevada County Consolidated FPD	Ukiah Valley Fire Authority
Dixon FPD	North San Juan FPD	Vacaville FPD
Dunnigan FPD	Penn Valley FPD	Valley Center FPD
Doyle FPD	Penryn FPD	West Patton Village CSD
East Contra Costa FPD	Pioneer FPD	Wheatland Fire Authority
El Dorado County FPD	Redwood Valley-Calpella FD	Williams Fire Protection Authority
El Medio FPD	Rescue FPD	

** Fire Impact Fee Programs in Bold*

REFERENCES

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PROJECT TEAM

If selected, I would serve as the project manager and principal-in-charge. Melanie Lee, Senior Consultant, would also be involved with the technical analysis and preparation of the Nexus Study. The two of us do not have any work commitments that would interfere with our responsiveness and ability to complete the project within a reasonable timeframe.

As Director of Planning Services, I specialize in the areas of developer mitigation, Mello-Roos CFD formations, development impact fees and other new revenue mechanisms to fund the need for new or increased public services and facilities. With over 16 years of experience in public finance, I have developed extensive expertise in assisting public agencies in addressing the financial impact of new development. I have prepared over 80 development impact studies and public facility financing plans and am a recognized expert in CFD formations.

I am a graduate of Boise State University with a B.A. in Economics with an emphasis in public finance. I am a frequent presenter on local funding mechanisms for public agencies at annual conferences and area workshops held by the California Society of Municipal Finance Officers, the California Special Districts Association, and the Fire District Association of California. I am a commercial associate member of the California Society of Municipal Finance Officers, a member of the CSDA Legislative Committee Budget, Finance, and Taxation Working Group, and a former Community Resources Commissioner for the District of Fairfield.

After you have had an opportunity to review our proposal, please feel free to contact me at (707) 430-4300 ext. 113 to discuss any aspects. I can also be reached via email at blair.aas@sci-cg.com.

Sincerely,



Blair E. Aas
Director of Planning Services

cc: Melanie Lee, SCI Consulting Group

Attachments: Truckee FPD Fire Impact Fee Nexus Study, Final Report
CARPD Conference Session *Strategies in Getting an Impact Fee Adopted*