

CITY OF FREMONT

COMPREHENSIVE DEVELOPMENT IMPACT FEE UPDATE

FIRE FACILITIES FEE TECHNICAL REPORT

MAY 17, 2021



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TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
FIRE FACILITIES FEE	2
Service Population	2
Facility Inventories	3
Existing Inventory	3
Facility Standard	6
Use of Fee Revenue	6
Maximum Justified Fee Schedule	7
APPENDIX	9

Executive Summary

This report documents an analysis of development impact fees needed to support future development in the City of Fremont through 2035.

This report is accompanied by a *Comprehensive Development Impact Fee Update Background Report*. The *Background Report* documents common assumptions to this report, and technical reports for the City's other impact fees that are also being comprehensively updated at this time. The *Background Report* also summarizes the analysis contained in this report, provides implementation guidelines and presents the findings required by the Mitigation Fee Act (Cal. Gov't Code Section 66000 *et seq.*).

Table E.1 displays the maximum justified fire facilities fees based on the analysis contained in this report.

Table E.1: Fire Protection Facilities Fee - Existing Standard

Land Use	A	B	C = A x B	D = C x 0.02	E = C + D
	Cost Per Capita	Density	Base Fee ¹	Admin Charge ^{1, 2}	Total Fee ¹
<u>Residential - Number of Bedrooms</u>					
0	\$ 295	1.19	\$ 351	\$ 7	\$ 358
1	295	1.61	475	10	485
2	295	2.39	705	14	719
3	295	3.06	903	18	921
4	295	3.59	1,059	21	1,080
Each Bedroom Above 4	295	0.71	209	4	213
<u>Nonresidential - Per 1,000 Square Feet or Hotel Room</u>					
Office	\$ 289	2.99	\$ 864	\$ 17	\$ 881
Retail / Service	289	1.78	514	10	524
Warehouse	289	1.28	370	7	377
Light Industrial	289	1.00	289	6	295
Manufacturing	289	1.82	526	11	537
Research & Development	289	2.31	668	13	681
Hospital / Convalescent / Nursing					
Home	289	1.00	289	6	295
Public / Institutional	289	2.58	746	15	761
Hotel / Motel	289	0.57	165	3	168

¹ Fee per dwelling unit, by number of bedrooms for residential or per 1,000 square feet or hotel room for 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.

Sources: *Comprehensive Development Impact Fee Update Background Report*, Table 2.2 and 4; Willdan Financial Services.

Fire Facilities Fee

The purpose of the fire facilities impact fee is to fund the fire facilities needed to serve new development. Fremont currently provides fire protection services from 11 fire stations. The maximum justified impact fee is presented based on the existing facilities standard of fire facilities per capita.

The City operates a unified fire protection service in which all fire protection facilities serve all residents of the City. While the City makes every effort to equitably spread facilities throughout the City, the additional of a fire station or an engine company anywhere in the City increases the ability of the entire system to respond to the needs of new development anywhere in the City, since each new station or engine company both provide back-up and support to every other station and company, and also allows for a balancing of the number of developments for which each other station is the primary service provider.

Service Population

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

Table 1 shows the existing and future projected service population for fire facilities. Workers are weighted at 0.98 of residents based on relative demand for fire services based on incident response data from the City of Fremont Standards of Coverage Assessment, 2020. See Appendix **Table A.1** for the calculation of the worker weighting factor.

Table 1: Fire Protection Facilities Service Population

	A Persons	B Weighting Factor	A x B = C Service Population
<u>Residents</u>			
Existing (2020)	232,600	1.00	232,600
New Development (2020-2035)	<u>30,600</u>	1.00	<u>30,600</u>
Total (2035)	263,200		263,200
<u>Workers</u>			
Existing (2020)	111,800	0.98	109,600
New Development (2020-2035)	<u>26,700</u>	0.98	<u>26,200</u>
Total (2035)	138,500		135,800
<u>Combined</u>			
Existing (2020)			342,200
New Development (2020-2035)			<u>56,800</u>
Total (2035)			399,000

Note: Workers are weighted at 0.98 of residents based on relative demand for fire services based on incident response data from the City of Fremont Standards of Coverage Assessment. See Appendix Table A.1 for more detail.

Sources: *Comprehensive Development Impact Fee Update Background Report*, Table 2.2; City of Fremont Fire Department; Appendix Table A.1, Willdan Financial Services.

Facility Inventories

This section describes the City’s existing fire facility inventory and facility standards.

Existing Inventory

This study uses the existing facilities inventory method to calculate fees for fire facilities. Fire services provided from a network of eleven fire stations located throughout the City. The fire department also occupies a share of Administration Center A and operates a training facility. **Table 2** shows the existing inventory of fire facilities owned by the City, including land, buildings, vehicles, apparatus and equipment. The inventory of facilities was provided by City staff for use in this impact fee analysis.

The unit cost of \$2.5 million per acre for land is the median sales price per acre of a sample of 27 land sales comparisons within the City of Fremont since 2018 as reported by CoStar. This unit cost is consistent with other land cost assumptions within the City’s impact fee program.

The replacement cost of each building comes from the City’s 2021-22 Property Statement of Values, which is the insured replacement cost for each building.

Table 2: Fire Protection Facilities Existing Inventory

Facility	Amount	Units	Unit Cost	Facility Value
<i><u>Fire Station 1</u></i>				
Land	1.03	acres	\$ 2,500,000	\$ 2,575,000
Building	9,563	sq. ft.	467	4,464,533
Subtotal				\$ 7,039,533
<i><u>Fire Station 2</u></i>				
Land	0.27	acres	\$ 2,500,000	\$ 675,000
Building	7,935	sq. ft.	466	3,699,851
Subtotal				\$ 4,374,851
<i><u>Fire Station 3</u></i>				
Land	0.76	acres	\$ 2,500,000	\$ 1,900,000
Building	4,726	sq. ft.	186	878,659
Subtotal				\$ 2,778,659
<i><u>Fire Station 4</u></i>				
Land	1.00	acres	\$ 2,500,000	\$ 2,500,000
Building	8,822	sq. ft.	203	1,790,476
Subtotal				\$ 4,290,476
<i><u>Fire Station 5</u></i>				
Land	0.83	acres	\$ 2,500,000	\$ 2,075,000
Building	7,240	sq. ft.	236	1,708,620
Subtotal				\$ 3,783,620
<i><u>Fire Station 6</u></i>				
Land	1.37	acres	\$ 2,500,000	\$ 3,425,000
Building	13,224	sq. ft.	466	6,165,951
Storage Building	4,419	sq. ft.	118	520,000
Subtotal				\$ 10,110,951
<i><u>Fire Station 7</u></i>				
Land	1.94	acres	\$ 2,500,000	\$ 4,850,000
Building	10,618	sq. ft.	176	1,868,187
Storage Building	3,420	sq. ft.	126	431,040
Subtotal				\$ 7,149,227

Sources: City of Fremont; CoStar; Willdan Financial Services.

Table 2: Fire Protection Facilities Existing Inventory Continued

Facility	Amount	Units	Unit Cost¹	Facility Value
<i><u>Fire Station 8</u></i>				
Land	1.00	acres	\$ 2,500,000	\$ 2,500,000
Building	10,375	sq. ft.	453	4,701,398
Subtotal				\$ 7,201,398
<i><u>Fire Station 9</u></i>				
Land	1.00	acres	\$ 2,500,000	\$ 2,500,000
Building	7,240	sq. ft.	231	1,672,354
Subtotal				\$ 4,172,354
<i><u>Fire Station 10</u></i>				
Land	1.00	acres	\$ 2,500,000	\$ 2,500,000
Building	7,240	sq. ft.	223	1,614,329
Storage Building	2,528	sq. ft.	115	290,123
Subtotal				\$ 4,404,452
<i><u>Fire Station 11</u></i>				
Land	1.47	acres	\$ 2,500,000	\$ 3,675,000
Building	10,378	sq. ft.	415	4,310,405
Subtotal				\$ 7,985,405
<i><u>Fire Administration²</u></i>				
Building	11,744	sq. ft.	\$ 244	\$ 2,869,700
<i><u>Training Facility</u></i>				
Land	2.00	acres	\$ 2,500,000	\$ 5,000,000
Building	5,226	sq. ft.	803	4,196,428
Subtotal				\$ 9,196,428
Subtotal - Land and Buildings				\$ 75,357,054
<i><u>Vehicles and Apparatus</u></i>				\$ 15,197,081
<i><u>Equipment³</u></i>				\$ 7,930,834
<i><u>Apparatus Radios</u></i>	52		\$ 3,000	\$ 156,000
Total Value - Existing Facilities				\$ 98,640,969

¹ Unit costs are based on the values from the City's 2021-22 Property Statement of Values.

² Fire Department's share of Administration Center Building A.

³ Includes Fire Department IT equipment, air monitors, cardiac monitors, CPR boards, hazmat suits, ladders, nozzles, power tools, structural turnouts, rope rescue, SCBA, thermal imaging cameras, USAR, drones, wild land turnouts, radios, generators, various monitors, hoses and other miscellaneous equipment.

Sources: City of Fremont; CoStar; Willdan Financial Services.

Facility Standard

Table 3 shows the calculation of the existing facilities standard per capita. This standard is calculated by dividing the cost of the existing facilities by the existing service population. The value per capita is multiplied by the worker weighting factor of 0.98 to determine the value per worker. Under this approach new development will fund future facilities at the same standard that existing development has funded to date.

Table 3: Fire Protection Facilities Existing Standard

Value of Existing Facilities	\$	98,640,969
Plus Existing Fund Balance		<u>2,207,318</u>
Total Value - Existing Facilities	\$	100,848,287
Existing Service Population		<u>342,200</u>
Cost per Capita	\$	295
Facility Standard per Resident	\$	295
Cost Allocation per Worker ¹		289

¹ Based on a weighting factor of 0.98.

Sources: Tables 1 and 2; City of Fremont; Willdan Financial Services.

Use of Fee Revenue

Fire Facilities Fee revenues will be used to fund the acquisition, construction, and improvement of fire facilities, including vehicles and equipment with a life of more than five years, that expand City's capacity to provide fire department services to meet the needs of new development. Revenues will not be used to remedy existing deficiencies.

The City has identified several capacity expanding fire facilities projects that are eligible for impact fee revenue spending. They are listed in **Appendix Table A.2**. Additional facilities, also to be funded with impact fee revenue, will be needed to meet the deployment recommendations identified in the City of Fremont Standards of Coverage Assessment, 2020. New development will not be charged in excess of the existing level of service, as measured by the value of the existing fire facilities.

Table 4 presents a projection of fee revenue based on the existing cost standard from Table 3.

Table 4: Revenue Projection - Existing Standard

Cost per Capita	\$ 295
Growth in Service Population (2020 - 2035)	<u>56,800</u>
Fee Revenue	\$ 16,756,000

Sources: Tables 1 and 3.

Maximum Justified Fee Schedule

Table 5 shows the maximum justified fire facilities fee schedule. The cost per capita is converted to a fee per unit of new development based on the number of bedrooms in a dwelling unit and employment densities (persons per bedroom or employees per 1,000 square feet of nonresidential building space or per hotel room). The total fee includes a two percent (2%) 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.

In Willdan's experience with impact fee programs, two percent of the base fee is a low estimate of cost of fee program administration. Per the City's finance department, two percent of total project costs is a low estimate of anticipated administration costs.

Table 5: Fire Protection Facilities Fee - Existing Standard

Land Use	A	B	C = A x B	D = C x 0.02	E = C + D
	Cost Per Capita	Density	Base Fee ¹	Admin Charge ^{1, 2}	Total Fee ¹
<i>Residential - Number of Bedrooms</i>					
0	\$ 295	1.19	\$ 351	\$ 7	\$ 358
1	295	1.61	475	10	485
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Hotel / Motel	289	0.57	165	3	168

¹ Fee per dwelling unit, by number of bedrooms for residential or per 1,000 square feet or hotel room for 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.

Sources: *Comprehensive Development Impact Fee Update Background Report*, Table 2.2 and 3; Willdan Financial Services.

Appendix

To calculate the relative demand for fire services the number of incidents associated with residential locations or nonresidential locations are compared to the number of residents or employees. The resulting incidents per 1,000 employees are divided by the incidents per 1,000 residents to determine the worker weighting factor. **Appendix Table A.1** displays the incident response data from RY 2018-19 from the *City of Fremont Standards of Coverage Assessment, Volume 1 of 2: Technical Report, March 23, 2020*. 2,165 incidents that occurred at locations that cannot be classified as residential or nonresidential were excluded from the calculation.

Table A.1: Fire Facilities Worker Weighting Factor

Federal NFIRS #/ Property Use	Incidents	Residents or Employees	Calls per 1,000 Residents or Employees
<i>Residential Incidents</i>			
419 1 or 2 family dwelling	4,689		
429 Multi-family dwellings	1,861		
400 Residential, other	277		
962 Residential street, road or residential driveway	230		
459 Residential board and care	115		
Total	7,172	232,600	30.83
<i>Nonresidential Incidents</i>			
311 24-hour care nursing homes, 4 or more persons	844		
700 Manufacturing, processing	337		
963 Street or road in commercial area	224		
500 Mercantile, business, other	195		
449 Hotel/motel, commercial	199		
519 Food and beverage sales, grocery store	187		
174 Rapid transit station	186		
161 Restaurant or cafeteria	185		
215 High school/junior high school/middle school	177		
439 Boarding/rooming house, residential hotels	154		
599 Business office	143		
341 Clinic, clinic-type infirmary	138		
331 Hospital – medical or psychiatric	113		
340 Clinics, doctors' offices, hemodialysis centers	104		
213 Elementary school, including kindergarten	101		
900 Outside or special property, other	88		
Total	3,375	111,800	30.19
Worker Weighting Factor			0.98
(Calls per 1,000 Employees / Calls per 1,000 Residents)			
<i>Other Incidents (Excluded from Weighting)</i>			
960 Street, other	1,156		
961 Highway or divided highway	611		
965 Vehicle parking area	398		
Total	2,165		

Source: Table 13, City of Fremont Standards of Coverage Assessment, Volume 1 of 2: Technical Report, March 23, 2020; Willdan Financial Services.

Table A.2: Preliminary Planned Fire Protection Facilities

<u>Item</u>	<u>Units</u>	<u>Unit Cost</u>	<u>Total Cost</u>
<u>Buildings</u>			
Station 5 Expansion ¹			\$ 4,485,000
Subtotal			
<u>Apparatus</u>			
Type 1 Engine	2	\$ 840,000	\$ 1,680,000
<u>Equipment</u> ²			
Turnouts	36	\$ 2,900	\$ 104,400
Wildland gear	18	1,700	30,600
SCBAs	18	7,500	135,000
Subtotal			\$ 270,000
Total			\$ 6,435,000
Less Existing Fund Balance			<u>2,207,318</u>
Net Value of Planned Facilities			\$ 4,227,682

Note: All facilities listed represent an expansion of capacity, not a replacement of existing facilities.

¹ Similar to Station 2 with an additional engine bay.

² Associated equipment to outfit nine new hires for 14th and 15th Engine Companies.

Source: Fremont Fire Department.