

Fire Facilities Impact Fee Study
Final Report

**NOVATO FIRE PROTECTION DISTRICT,
CALIFORNIA**

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1. EXECUTIVE SUMMARY

The report, which follows, presents the results of the Fire Facilities Impact Fee Study conducted by the Matrix Consulting Group for the Novato Fire Protection District to accommodate any new development that could occur in the next fifteen years.

The Novato Fire Protection District was established in 1926 to provide all-risk emergency and non-emergency services to the City of Novato and the surrounding unincorporated area. Currently, the Fire Protection district services about 71 square miles with an estimated population of 60,000. The District maintains five fire stations and one administrative headquarters with a goal of responding to most emergencies within 8 minutes or less. The District currently meets this standard about 90% of the time. These services include Wildland fires, structural fires, health emergencies, accidents, and performing fire prevention services.

1. PROJECT BACKGROUND AND SCOPE OF WORK

The Novato Fire Protection District assesses all new development a Fire Facilities Impact Fee. This impact fee is currently collected by the City of Novato and then passed on through to the Fire Protection District. The impact fees currently charged by the District are as follows:

Table 1: Current Fire Impact Fees

Type of Development	2002 Fee Study Fees	FY 15 Fees
Residential (per dwelling unit)		
Single-Family	\$782	\$1,041
Multi-Family	\$610	\$812
Non-Residential (per 1,000 sq. ft. of Gross Floor Area)		
Commercial	\$420	\$559
Office	\$701	\$933
Industrial	\$300	\$400

As Table 1 shows, the District has different charging mechanisms depending upon the type of development. These fire impact fees were developed through a Fire Facilities Impact Fee study conducted by MuniFinancial in 2002 and adopted by the Fire Protection Board and the City Council of the City of Novato. These development impact fees have been adjusted annually by the City of Novato using the Building Cost Index.

However, the current Fire Facilities Impact Fees were established to account for development happening through 2016, as such these fees would no longer be valid in 2017. Therefore, these fees need to be reevaluated to establish impact fees that will account for development through 2030 (or the next 15 years).

The Matrix Consulting Group worked with District staff to calculate Fire Facilities Impact Fees so that the results of this study could provide the District and the City of Novato with revised impact fees that could better recover the costs associated with any new development arriving in the district and the city.

2. LEGAL FRAMEWORK

The Development Impact Fee study is governed by Government Code Section 66000 et seq, or the Mitigation Fee Act, which specifies that there needs to be a nexus between the collection of fees and the new residential and non-residential development within the District's service area. It also states that this revenue can only be used to expand current or purchase new fire protection facilities, apparatus, and equipment. It does not allow for revenue to be used for staffing, maintenance, or other operational costs.

The Mitigation Fee Act, or AB1600, requires that there be certain findings that have to be met in order for there to be a reasonable relationship or nexus between the new development and the need for new fire facilities. The following points highlight each of the key finding requirements:

- Identification of the purpose of the fee
- Identification of what the fee will be used for
- Determination of the reasonable relationship between the fee's use and the type of development project on which the fee is imposed
- Determination of the reasonable relationship between the need for fire facilities and the type of development project on which the fee is imposed
- Determination of the reasonable relationship between the amount of the fee and the cost of the facilities attributable to the development on which the fee is imposed

The purpose of this report is to demonstrate whether there is enough development and by extension a need for new Fire Facilities or apparatus to justify the existence of the Fire Facilities Impact Fee.

3. GENERAL PROJECT APPROACH AND METHODOLOGY

There are two different types of methodologies that can be used to develop a Fire Facilities Impact Fee – Existing Facility Standard and the Planned Facilities Standard methodology. The Matrix Consulting Group employed the Existing Facilities Standard methodology in updating the Fire Facilities Impact Fee study for the Fire Protection District. This methodology was consistent with what was used to develop the 2002 impact fees and accounts for the current level of service employed by the District.

The Existing Fire Facilities Standard is calculated by utilizing the total cost of existing facilities and vehicles, adding in the cost of any planned facilities and vehicles and dividing it by the total projected service population. The total projected service population includes not only projected residents for the District, but also any potential increases in employment within the District. The following table compares the existing facility standard from the 2002 Fire Facilities Impact Fee Study to the current Study:

Table 2: Cost Per Capita Analysis

Category	Projected Cost – 2002	Projected Cost - 2016
Existing Public Facilities	\$19,520,187	\$47,437,499
Planned Public Facilities	\$6,540,662	\$0
Total Public Facilities	\$26,060,849	\$47,437,499
Buildout Service Population	87,292	78,180
Facility Standard per Capita - Resident	\$299	\$607
Facility Standard per Capita – Worker¹	\$206	\$300

As the table above shows, that while there is no cost for new planned public facilities after 2016, there is a 103% increase in the Facility Standard per capita compared to 2002. This increase is primarily related to the increased costs of the existing public facilities for the Fire Protection District. This increase is also related to the addition of the Administration Building in 2003 and the new Fire Station 64 constructed in 2015. It is also interesting to note that that the District did not reach the build out population projected for 2016, and in fact is now projected to reach a lower population than that in 2030.

This methodology states that the current fire facilities cost about \$607 for each current and potential resident of the Fire Protection District. This facility standard per capita is then used to calculate the updated fire impact fees.

In addition to the direct costs of facilities and apparatus, the Mitigation Fee Act, also allows for the District to recover any administrative or indirect costs associated with administering the Fire Facilities Impact Fee. This indirect or administrative rate was included in the previous study at a rate of 2%, but has been modified to 1.25%² for the current Fire Facilities Impact Fee Study.

4. SUMMARY OF RESULTS

Overall, the project team utilized the Existing Facility Standards methodology and the Facility Standard per Capita to develop revised fire facilities impact fees. The table

¹ In 2002 the standard capita – worker was calculated as 69% of a resident, which was established through a study conducted by the City of Phoenix stating that each worker or employee in the city was worth the same as 69% of a resident. For the purposes of the 2016 study, the project team utilized a ratio of 49%, which was based on the total number of commercial calls vs. residential calls.

² The previous study utilized a standard rate of 2% that was not specific to the District. The project team calculated the 1.25% administrative rate based upon the ratio of fire impact fee revenue to total overall non-tax related revenue for the District.

on the following page details the fire facilities impact fee calculated through this study utilizing the 1.25% administrative rate.

Table 3: Summary of Impact Fees

Land Use Category	Costs / Capita	Density	Base Fee	Admin Costs	Total FY 16 Study Fee
Residential (per dwelling unit)					
Single- Family	\$607	2.51	\$1,523.00	\$18.97	\$1,542
Multi-Family	\$607	2.18	\$1,322.77	\$16.48	\$1,339
Non-Residential (per 1,000 sq. ft. Gross Floor Area)					
Commercial	\$300	500	\$600.52	\$7.48	\$608
Office	\$300	300	\$1,000.86	\$12.47	\$1,013
Industrial	\$300	700	\$428.94	\$5.34	\$434

As Table 3 shows there are five different categories for which fire facilities impact fees were calculated. To provide greater context to these impact fees the following table compares the calculated impact fees to the current fees and the associated surplus or deficit with those fees.

Table 4: Comparison of Current to Projected Impact Fees

Land Use Category	FY 15 Impact Fee	Total FY 16 Fee Study	Surplus / (Deficit)
Residential (per dwelling unit)			
Single- Family	\$1,041	\$1,542	\$(501)
Multi-Family	\$812	\$1,339	\$(527)
Non-Residential (per 1,000 sq. ft. Gross Floor Area)			
Commercial	\$559	\$608	\$(49)
Office	\$933	\$1,013	\$(80)
Industrial	\$400	\$434	\$(34)

The table above shows that the Fire Protection District is currently under-charging for all of its development impact fees. Based upon this calculation, the Fire Protection District can increase its impact fees.

5. FIRE FACILITIES IMPACT FEE RECOMMENDATIONS

The Matrix Consulting Group recommends that the Fire Protection District use the information contained in this report to discuss, adopt, and implement a formal policy regarding the Fire Facilities Impact Fee Study.

The calculations presented in this study are all based on existing fire facilities and do not factor in any planned public facilities. Currently, the Novato Fire Protection District does not anticipate either expanding its current facilities or apparatus' to help address the growth in the District within the next fifteen years. As such, the District does not meet the required essential criteria of a clear, reasonable relationship between the fee and the purpose for which the fee will be used, for implementing development impact fees after 2016.

It is the project team's recommendation that in order to be in compliance with the Mitigation Fee Act, the District should eliminate its current fire facilities impact fees at the end of 2016. However, once the City of Novato has updated its General Plan, the project team recommends that the Fire Protection District reevaluate the need for a Fire Facilities Impact Fee.

2. FIRE FACILITIES IMPACT FEE CALCULATION

The Matrix Consulting Group utilized a detailed and methodological process to calculate and update the current fire facilities impact fees. This process includes using the Existing Facilities Standard methodology and a service population based on a new planning horizon. The following sections of this chapter detail the process for calculating fire facilities impact fees.

1. EXISTING AND PLANNED FIRE FACILITIES

The Matrix Consulting Group has utilized the Existing Facilities Standard methodology for calculating the Fire Facilities Impact fee. The existing facilities standard methodology requires taking an inventory of the District's existing and planned fire facilities and helps determine the fair share of the burden that should be borne by new development when growth occurs in the District. The inventory of facilities and apparatus utilized in this chapter of the report serves the entire district and not just the City of Novato.

Currently the Novato Fire Protection has one administrative building and five fire stations along with four ambulances, two Type III engines, four Type I engines, one fire truck, one heavy duty squad, and one water tender. The District currently staffs and owns all of the stations and equipment utilized to provide fire support services to the community.

The following table provides a detailed existing apparatus and equipment inventory, including the type of apparatus, the unit, the vehicle value, the equipment value on the vehicle, and the total cost of that apparatus.

Table 5: Annual Replacement Cost of Fire District Equipment

Apparatus Type	Unit	Station	Vehicle Value	Equipment Value	Total
Type I Engines					
2003 Spartan	7	2	\$625,000	\$117,360	\$742,360
2003 Spartan	11	3	\$625,000	\$117,360	\$742,360
2003 Spartan	3	1	\$675,000	\$117,360	\$792,360
2003 Spartan	20	5	\$675,000	\$117,360	\$792,360
Type III Engines					
2001 Westmark	18	3	\$375,000	\$87,382	\$462,382
2004 Hi-Tech	40	5	\$400,000	\$87,382	\$487,382
Ambulances					
2007 Ford Horton	39	2	\$105,000	\$65,506	\$170,506
2007 Ford Horton	24	2	\$105,000	\$65,506	\$170,506
2012 Ford Horton	2	1	\$141,000	\$65,506	\$206,506
2012 Ford Horton	17	5	\$141,000	\$65,506	\$206,506

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Apparatus Type	Unit	Station	Vehicle Value	Equipment Value	Total
Special Vehicles					
Water Tender			\$193,511	\$-	\$193,511
2013 Spartan Fire Truck	9	4	\$1,096,882	\$200,000	\$1,296,882
1994 Spartan Heavy Rescue Squad	10	1	\$227,073	\$200,000	\$427,073
Support Vehicles					
2004 Ford Expedition SUV	23	2	\$50,000	\$8,597.11	\$58,597
2008 Chevy Tahoe SUV	25	Admin	\$43,000	\$9,561.77	\$52,562
2008 Chevy Tahoe SUV	29	Admin	\$43,000	\$9,561.77	\$52,562
2002 Chevy 1500 PU	36	Admin	\$43,000	\$8,597.11	\$51,597
2008 Chevy Malibu Sedan	15	Admin	\$43,000	\$8,597.11	\$51,597
2008 GMC Yukon XL Command	43	Admin	\$70,000	\$8,597.11	\$78,597
2012 Chevy Tahoe SUV	12	Admin	\$46,000	\$9,561.77	\$55,562
2012 Chevy Tahoe SUV	32	Admin	\$46,000	\$9,561.77	\$55,562
2012 Chevy 2500 PU	1	1	\$43,000	\$8,597.11	\$51,597
2012 Chevy Tahoe SUV	26	Admin	\$46,000	\$9,561.77	\$55,562
2015 Ford F-250 PU	30	Admin	\$55,000	\$8,597.11	\$63,597
2015 Ford F-250 PU	31	Admin	\$55,000	\$8,597.11	\$63,597
2015 Ford F-250 PU	33	Admin	\$55,000	\$8,597.11	\$63,597
2016 Ford F-250 PU	XX	1	\$57,000	\$8,597.11	\$65,597
2016 Ford F-250 PU	XX	2	\$57,000	\$8,597.11	\$65,597
2016 Ford F-250 PU	XX	3	\$57,000	\$8,597.11	\$65,597
Other Existing Special Equipment					
Telephone System		#1-5		\$158,967	\$158,967
Turnouts and Helmets		#1-5		\$176,425	\$176,425
TOTAL REPLACEMENT COST FOR EXISTING APPARATUS					\$7,977,465

As Table 5 shows, there are about 31 total pieces of apparatus in use by the District, with a total value of approximately \$7.98 million. It is also important to note that this table does not indicate that the District anticipates increasing its current inventory to account for any additional growth.

The existing facilities standard also requires providing a detailed inventory of the actual fire stations and the administration building currently in use by the District. The following table details by station the total acreage, square footage, and thereby the total cost to replace that station, including the administration building.

Table 6: Annual Replacement Cost of Fire Buildings

Station Name	Size	Unit Cost	Total Cost
Station 1			
Land (acres)	0.84	\$651,205	\$547,012
Building (sq. ft.)	16,324	\$502.63	\$8,204,906
Total Station 1			\$8,751,918
Station 2			
Land (acres)	2.95	\$212,785	\$627,716
Building (sq. ft.)	14,000	\$516.11	\$7,225,563
Total Station 2			\$7,853,279

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Station Name	Size	Unit Cost	Total Cost
Station 3			
Land (acres)	0.48	\$722,374	\$346,739
Building (sq. ft.)	5,400	\$610.06	\$3,294,308
Total Station 3			\$3,641,047
Station 4			
Land (acres)	0.6	\$479,310	\$287,586
Building (sq. ft.) ³			\$8,047,916
Total Station 4			\$8,335,502
Station 5			
Land (acres) ⁴	0.67		\$-
Building (sq. ft.)	9,979	\$549.10	\$5,479,420
Total Station 5			\$5,479,420
Admin Building			
Land (acres)	2.04	\$1,355,131	\$2,764,468
Building (sq. ft.)	12,592	\$209.21	\$2,634,400
Total Admin Building			\$5,398,868
TOTAL ALL STATIONS			\$39,460,034

As Table 6 shows the total current replacement cost for all stations is \$39.5 million. Similar to the equipment / apparatus owned and operated by the District, there are currently no plans for the District to acquire any new land or build any new fire facilities as a result of future growth in the District. Combining this information with the total cost of equipment and apparatus calculated earlier in this chapter, the total cost of all existing and any potential or planned fire facilities is \$47,437,499.

2. NOVATO FIRE PROTECTION DISTRICT SERVICE POPULATION

The Novato Fire Protection District services both residences and businesses in the City of Novato and the unincorporated areas surrounding Novato. For the past five years, the majority of service calls (approximately 60-70%) have been related to emergency medical services, as such the primary driver for service in the district is directly correlated to its population.

The total service population for the purposes of the Impact Fee Study was calculated based on data collected from the Fire Protection District and the Association of Bay Area Governments (ABAG). The previous impact fee study only provided population projections until the year 2016, or a fifteen year horizon, as such the current impact fee study also incorporates the same horizon period resulting in projections until the year 2030. The previous impact fee study was conducted slightly after the General Plan (good through the end of 2016) was developed for the City of Novato. The City of Novato is currently in the midst of updating various components of its General Plan, but there has not been a comprehensive update to the plan. Therefore, the current impact fee study was not able to mimic the same planning horizon as the City of Novato, as was done previously.

³ There is no acreage or per acre cost as the project team utilized the actual replacement value for Station 4 based upon the construction estimates provided.

⁴ As the land was donated for Station 5, no land cost was calculated for Station 5.

In order to calculate and project the most accurate information, the project team calculated all District requirements based upon the census tracts in Marin County. The project team worked with the Fire Protection District to determine which census tracts are protected by the District and then gathered population, employment, and household information from the ABAG by Census Tract. The table on the following page lists the various population projections at 5-year intervals by the census tracts for the Novato Fire Protection District:

Table 7: Population Projection by Census Tract

Tract #	2015	2020	2025	2030
1011	2,592	2,612	2,641	2,668
1012	2,715	2,747	2,789	2,828
1021	2,322	2,353	2,386	2,419
1022.02	5,953	6,029	6,111	6,200
1022.03	4,808	4,864	4,935	5,006
1031	7,253	7,338	7,441	7,542
1032	6,598	6,675	6,783	6,889
1041.01	7,909	8,009	8,121	8,231
1041.02	5,193	5,258	5,332	5,407
1042	5,791	5,866	5,952	6,038
1043	1,535	1,543	1,554	1,565
1050	6,670	6,746	6,838	6,932
1330	3,242	3,258	3,274	3,300
TOTAL	62,581	63,298	64,157	65,025

Table 7 shows that every 5 years the residential population for the district is only projected to grow at a rate of 1%. As such over the next 15 years the district is only expected to increase its residential population by approximately 2,400.

However, as discussed on the previous page the District also serves businesses. As such the project team used census data by tract # to see the total number of workers or employees within the District. In 2015, the District had 25,264 employees and it's projected to have 26,584 in employees by 2030. This reflects an increase of approximately 1,300 employees over the next 15 years.

For the purposes of calculating the service population, a worker is weighted differently than a resident. The project team calculated the percentage based on the ratio of residential to commercial calls for service. This ratio for FY15 was calculated at 49%. As such each worker is worth 0.49 of a resident. The lower ratio for the workers represents the lower need for services associated with businesses, as commercial buildings are typically less densely occupied than residential buildings. The following table shows the calculation of the service population for the Fire Protection District:

Table 8: Service Population Calculation

Population Timeframe	Residents	Total Workers	Workers Service population	Total Service Population
Existing (2015)	62,581	25,264	12,502	75,083
Total Buildout (2030)	65,025	26,584	13,155	78,180

As the table above shows, the total buildout or service population for the District for 2030, is projected to be 78,180. The service population in conjunction with the existing and planned fire facilities costs serves as the basis for the calculation of the development impact fee.

3. FIRE FACILITIES STANDARD

The Fire Facilities Standard for the impact fee is calculated based upon the total existing and planned public facilities calculated in section 1, in conjunction with the total service population. The table on the following page shows the facility standard per capita by dividing the total public facilities costs by the total buildout service population:

Table 9: Fire Facility Standard Calculation

Category	Amount
Total Fire Facilities	\$47,437,498
Buildout Service Population	78,180
Facility Standard / Capita	\$607

As the table above shows, the fire facility standard per capita projected for 2030 is \$607. This suggests that it costs the District approximately \$600 for each person in the District (resident and worker) to provide its current level of service. The project team utilized a per capita standard as it allows for a fair distribution of facilities costs between existing and new development.

Similar to the calculations used in the service population, workers are weighted differently for the per capita standard (49%). The following table shows the different standards of capita for residents and workers:

Table 10: Standard / Capita

Category	Amount
Resident Standard / Capita	\$607
Worker Standard / Capita	\$300

The weighted standards per capita for residents and workers are used to develop the fire facilities impact fee.

4. FIRE FACILITIES IMPACT FEE CALCULATION

One of the most important aspects of a facility impact fee is that not only the fee, but also the fee basis itself be relatable to the purpose of the fee. As any new

development that comes into town will not know how many individuals it will bring (residents or employees), the standard per capita must be converted to another unit basis which is directly relatable to new development. For residential purposes this unit is typically the number of dwelling units and for commercial purposes it is usually per 1,000 square feet. Both of these bases are standard, typical, and in line with best practices for impact fees.

To convert the residential standard per capita to a dwelling unit, the density of the dwelling unit must be known. The project team utilized the average housing density for the period of 2009-2013 as calculated by the US Census Bureau. The density of 2.51 was slightly lower than the average housing density of 2.55 projected for the Novato Fire Protection District by ABAG. This housing density was utilized for single family. The housing density for multifamily units is typically lower than a single family residential and for the purposes of this study it was calculated at 2.18⁵. The table on the following page shows how the standard per capita is converted to the base impact fee for residential developments:

Table 11: Base Impact Fee Calculation – Residential

Residential Category	Standard / Capita	Density	Base Impact Fee
Single Family	\$607	2.51	\$1,523
Multi-Family	\$607	2.18	\$1,323

As the table above shows the base impact fee is calculated by multiplying the standard per capita by the density. The Base Impact fee is calculated per unit, as such when a new residential development comes to the City of Novato, it will know exactly how many single or multi-family units there will be and that fee will be multiplied by those units to come up with the total fire facilities impact fee.

Similar to the residential category, in order to come up with a base impact fee for commercial buildings the standard per capita needs to be translated to square feet. There are industry standards for the typical density or size of different types of non-residential categories. The following table shows the base fee calculated for the non-residential categories based upon industry standard density or size averages:

Table 12: Base Impact Fee Calculation – Non-Residential

Non-Residential Category	Standard / Capita	Avg Size	Base Impact Fee⁶
Commercial	\$300	500	\$601
Office	\$300	300	\$1,001
Industrial	\$300	700	\$429

However, as noted both Tables 11 and 12 only show the base impact fee for any new development. As part of the impact fee development process, there are certain

⁵ Due to lack of specific multi-family housing data available for the Fire Protection District or the City of Novato, the project team utilized the national average of 2.18 calculated by the National Multi-Housing Council.

⁶ The Base Impact Fee is based upon per 1,000 square feet, which is why its calculated by taking the standard per capita dividing it by the average size and then multiplying it by 1,000 to arrive at the base fee shown in the table.

administrative costs and overhead associated with administering the impact fee process that should be accounted for in the impact fee.

To calculate a defensible overhead percentage, the project team determined that the administrative percentage must relate to the amount of operating or overhead demands associated with managing impact fees. As such, it stands to reason that the total amount of revenue collected related to impact fees would be a good measure of how much district staff time is spent associated with impact fees. Therefore, the project team developed an overhead percentage for administering the impact fee based upon the ratio of impact fee revenue collected to total revenue collected over the past eight years. The following table shows the total impact fee revenue collected as a proportion of the total revenue collected by the district:

Table 13: Impact Fee Revenue as a Proportion of Total NFD Revenue

Fiscal Year	Impact Fee Revenue	Total Revenue⁷	% of Revenue
FY 09	\$27,739	\$3,485,856	0.80%
FY 10	\$97,349	\$2,480,500	3.92%
FY 11	\$37,999	\$2,939,151	1.29%
FY 12	\$9,629	\$3,247,992	0.30%
FY 13	\$57,479	\$4,067,078	1.41%
FY 14	\$10,324	\$3,300,879	0.31%
FY 15	\$30,410	\$2,999,693	1.01%
FY 16	\$30,410	\$3,318,915	0.92%
AVERAGE			1.25%

As Table 13 shows the impact fee revenue as a percentage of total revenue (net of any property tax revenue) has varied greatly, with it being as low as 0.30% in FY12 (minimal development) to as high as 3.92% in FY 10 (heavy development). The overall average for all eight year is 1.25%. The overall average was used as the administrative percentage as it accounts for periods of high as well as periods of lulls in development.

The administrative overhead percentage of 1.25% is applied to the base development impact fees to arrive at the fully loaded fire facility impact fee. The following table shows the total fire facility impact fees, incorporating the administrative percentage of 1.25%:

Table 14: Total Impact Fee Revenue Calculation

Land Use	Base Impact Fee	Admin Cost	Total Impact Fee
Residential			
Single Family	\$1,523.00	\$18.97	\$1,542
Multifamily	\$1,322.77	\$16.48	\$1,339
Non-Residential			
Commercial	\$600.52	\$7.48	\$608
Office	\$1,000.86	\$12.47	\$1,013
Industrial	\$428.94	\$5.34	\$434

⁷ The total revenue reflects all revenue collected by the District netting out any property revenue.

Table 14 shows that the administrative cost varies depending on the base fee and can be as low as \$5 for industrial to as high as \$19 for residential. The higher the base fee, the higher administrative cost; this is an appropriate correlation as higher impact fee revenue requires additional reporting and other requirements.

3. NEXUS FINDINGS

This section of the report presents the results of the study in the legislative framework known as the nexus analysis. The following points present each of the requirements of a nexus study and how the Fire Protection District meets or does not meet those standards.

- **Purpose of Fee:** The purpose of the fire facilities fee is to help fund the cost of providing fire protection services as it relates to building new facilities, and acquiring / replacing apparatus as a result of new development within the District. The purpose of the fee is to not burden the costs of new fire facility needs on existing residents but rather have new development pay for their fair share.
- **Use of Fee Revenue:** The revenue collected from fire facilities impact fees will only be used to fund the building of new facilities or purchasing new apparatus that is required as a result of new development within the District.
- **Benefit Relationship:** New development will generate new residents and employees and as a result a need for new fire facilities and equipment. The fee revenue from the impact fee study will be used to purchase those new facilities.

Neither the Novato Fire Protection District nor the City of Novato anticipates any new developments resulting in the need for new fire facilities. As such, this benefit relationship does not currently exist for the Novato Fire Protection District.

- **Impact Relationship:** The basic idea is that new development will either result in an increase in residents or workers or both and as such there will be a higher volume of calls for service and a need for more facilities or apparatus.

As stated previously, the District does not foresee that any future development will result in the need for any new facilities or apparatus. Therefore, the District does not meet this nexus requirement.

- **Proportionality:** The development impact fee calculated for the District is not only based on an existing facility standard methodology to ensure that existing and new population pay their fair share, but it also has different bases to ensure that the fee is proportional to either the additional service population or structural area generated by new development projects.

As the points on the previous page indicate the Novato Fire Protection District does not meet two out of the five necessary requirements for a nexus study to be defensible. As such, it is the project team's recommendation that the Novato Fire Protection District discontinue its current development impact fees by the close of 2016 and not implement the fees calculated in this study.

The project team further recommends that once the City of Novato completes a comprehensive update of its General Plan, the Fire Protection District revisit the Fire Facilities Impact Fee Study to determine if there is a need for additional facilities or apparatus that is dependent upon the level or amount of new development projected within its service area.