

TO: GCSB Board of Directors

FROM: Peter Kampa, General Manager

DATE: July 8, 2025

SUBJECT: Agenda Item 6A: Rescinding Resolution 21-2021 which Accepted the 2021 Development Impact Fee Study Report, and Accepting the Development Impact Fee Report Prepared by NBS Consulting Dated October 25, 2023

RECOMMENDED ACTION:

I Move to adopt Resolution 24-2025 Rescinding Resolution 21-2021 which Accepted the 2021 Development Impact Fee Study Report, and Accepting the Development Impact Fee Report Prepared by NBS Consulting Dated October 25, 2023.

BACKGROUND:

In 2020, the District retained NBS Government Finance Group to prepare a detailed study to analyze the impacts of new development on certain District capital facilities and to calculate impact fees based on that analysis. The methods used in the NBS study are intended to satisfy all legal requirements of the U. S. Constitution, the California Constitution, and the California Mitigation Fee Act (Government Code Sections 66000 et seq). An Agenda Item was brought to the Board on July 13, 2021 to accept the Development Impact Fee Report Prepared by NBS Dated June 18, 2021, and adopt the Development Impact Fee Schedule. The motion passed unanimously.

However, impact fees are imposed as a condition of approval of a development project, so the authority to impose those fees rests with the agency that controls land use permits and approvals. Special districts do not have that authority. Once the GCSB Board accepted the report on July 18, 2021, the next step was to approach the County of Tuolumne about calendaring the impact fees for adoption by the Board of Supervisors. The impact fees were not able to be calendared for adoption before January 1, 2022.

In September of 2021, the California Legislature passed the Assembly Bill (AB) 602 and the Governor signed it into law. AB602 created new requirements for development impact fees that came into effect on January 1, 2022. This required GCSB staff and the NBS consulting team to revisit several areas of the report and analysis to comply with AB602.

The revised Development Impact Fee Study Final Report, Dated October 25, 2023 and associated Development Impact Fee Schedule contain updates to the fee analysis that complies with AB 602. Chapter 1 of the attached report provides an overview of the legal requirements for establishing

and imposing Development Impact Fees (or Mitigation Fees) and methods that can be used to calculate impact fees. Chapter 2 contains data on existing and future development that is used in this report. Chapters 3 and 4 analyze the impacts of development on Parks and Fire Department facilities respectively. Chapter 5 contains recommendations for adopting and implementing impact fees, including suggested findings to satisfy the requirements of the Mitigation Fee Act.

The consultant team from NBS will be in virtual attendance at the meeting to provide an overview of the report and answer questions from the Board and public. Staff recommends adoption of the attached resolution which both accepts the revised Impact Fee Study Report and adopts the Impact Fee Schedule as detailed in Table S-2 of the report as shown below:

Table S.2: Summary of Impact Fees with Administrative Charge Included

Development Types	Dev Units ¹	Park Land Impact Fees	Park Imprvmt Impact Fees	Fire Impact Fees	Total Impact Fees
Residential < 1,000 Square Feet	DU	\$ 14.40	\$ 1,627.69	\$ 1,177.51	\$ 2,819.60
Residential 1,000 - 2,000 Square Feet	DU	\$ 19.20	\$ 2,170.26	\$ 1,358.66	\$ 3,548.11
Residential > 2,000 Square Feet	DU	\$ 23.99	\$ 2,712.82	\$ 1,488.06	\$ 4,224.87
Hotel/B&B/RV Park	Room or Space	\$ 12.48	\$ 1,410.67	\$ 1,754.53	\$ 3,177.67
Commercial/Office/Services	KSF			\$ 2,652.63	\$ 2,652.63

Note: All impact fees shown in this table are based on the impact fees from Table S.1 with a 4.7% administrative charge added

Bottom line is that the District is responsible to set the level of service desired for the community and establish implementation and financing plans to maintain services at the desired service level while accommodating new development and community growth. Ultimately it will be up to the Tuolumne County Board of Supervisors to decide on the amount of the impact fees to be adopted (up to the amount justified in this study) and whether or not those fees should include the administrative charge.

Over the past five years, the District has been preparing long range improvement and financial plans for its Fire and Park services. The District has also engaged the public to determine community needs and opportunities for improvement of the GCSO parks to enhance local recreation and tourism opportunities, as well as to provide opportunities to improve the health and wellbeing of our population. A park facilities improvement plan was developed in 2022 as a result of the public engagement process.

Recognizing that the Groveland Fire Department was seeing an increase in emergency call volume and increased time spent responding to emergency calls both inside and outside of the District boundaries, a Fire Department Master Plan update was completed in 2020. The Master Plan identified that the department is minimally staffed for the call volume and is being stretched beyond its boundaries over 30% of the time on emergency calls in the County response areas. Operating circumstances have changed post-master plan and the County has located a full time engine crew in the GCSO station on a year-to-year basis. The master plan contemplates the expansion of the fire department facilities, equipment and staffing in the future as emergency call volumes increase.

Both the fire and park planning efforts resulted in a clear understanding that future land development projects will place a higher level of demand and have an impact on fire and park services provided by the District. Included in this agenda item is the presentation to be provided by NBS, the Development Impact Fee Report, and adopting resolution.

ATTACHMENTS:

1. NBS Presentation
2. Development Impact Fee Study Report Dated October 25, 2023 (hyperlink)
<https://www.gcsd.org/files/d9b5ac856/Item+6A+Development+Impact+Free+Draft+Report+10.25.2023.pdf>
3. Resolution 24-2025

GCSD Board Meeting



Groveland Community Services District Parks and Fire Impact Fee Study

*Presented by NBS Project Team
Nicole Kissam; Joe Colgan*

Project Background

- July 13, 2021 – Development Impact Fee (DIF) Final Report dated June 18, 2021 was unanimously adopted by the GCSD Board
- October 25, 2023 - DIF Final Report updated to reflect changes in impact fee legislation – AB 602
- July 8, 2025 – DIF Final Report presentation to Board for acceptance
- Next Steps – Adoption by County BOS

Impact Fee Definition

- A Development Impact Fee (DIF) is a One-Time Fee...
- Imposed on a Development Project as a Condition of Approval...
- To Pay for Capital Facilities Needed to Serve New Development
- Impact Fees May Not Be Used to Pay for Maintenance or Operations

Legal Framework – U. S. Constitution

- Supreme Court decisions require a “**Nexus**” to justify impact fees under the “Taking” Clause of the 5th Amendment
- The Nexus Must Have Three Elements:
 - Development must create a **need** for facilities funded by the fees
 - Development must receive a **benefit** from facilities funded by the fees
 - Fees must be **proportional** to the impact created by the project subject to the fees

Legal Framework – California Law

- Under the Mitigation Fee Act, an Agency Enacting Impact Fees Must Make Findings to:
 - Identify the **Purpose** of the Fee
 - Identify the **Use** of the Fee, and
 - Show a Reasonable Relationship between:
 - The use of a fee and the type of project on which the fee is imposed (**Benefit**)
 - The need for a facility and the type of project on which the fee is imposed (**Need**)
 - The amount of a fee and the facility cost attributable to the project paying the fee (**Proportionality**)

Special Districts lack DIF Authority

- Impact Fees Are Imposed as a Condition of Development Approval by the Land Use Authority; Special Districts Do Not Have That Authority
- Fire Districts are Specifically Prohibited from Charging Impact Fees by the Fire Protection District Law of 1987 (Health and Safety Code Section 13916)
- Cities and Counties Throughout the State Routinely Impose Impact Fees that Fund Special District Service Expansion

The Nexus for These Fees

- **Need**: New Development in the GCSD Service Area Increases the Need for Parks and Fire Protection/Emergency Medical Facilities
- **Benefit**: New Development in the GCSD Service Area Benefits from the Availability of Parks and Fire Protection/Emergency Medical Services
- **Proportionality**: Park and Fire Impact Fees Reflect the Impact of New Development Based on Added Service Population* for Parks and Increased Calls for Service for Fire

*Park Service Population Includes Residents and Overnight Lodgers

AB 602 Requirements

- Effective January 1, 2022
- Impact Fees Should Be Based on the **Existing Level of Service (LOS)**, unless otherwise explained
- Residential Impact Fees Must Be **Proportional to Square Footage** of Units.
- Most Cities **Must Adopt a CIP** as Part of the Impact Fee Study
- Impact Fee Nexus Studies **Must Be Updated Every 8 Years** Beginning on January 1, 2022

Fee Calculation Method - Parks

- Park Impact Fees Based on the Existing Ratio of Park Acreage to Population (1.61 Acres per 1,000 Residents or **0.00161** Acres per Capita)
- Costs Used to Calculate Park Impact Fees:
Land Cost = **\$5,700 per Acre**;
Park Improvement Cost = **\$644,444 per Acre**
- Cost per Capita = $\$650,144 \times 0.00161 =$ **\$1,046**
- Park Impact Fee per Residential Unit, depending on s.f. of the unit = **\$1,568 - \$2,614**
- Park Impact Fee per Hotel/B&B/RV Park Unit = **\$1,359**

Fee Calculation Method - Fire

- Fire Impact Fees Based on the Existing LOS
- Replacement Value of Existing Fire Station, Apparatus and Equipment = **\$5M**
- Calls for Service Per Year = 409
- Cost per Call Per Year = **\$12,359**
- Fire Impact Fees per Unit
 - Residential, depending on s.f. of the unit = **\$1,125 - \$1,421**
 - Hotel/B&B/RV Park Unit = **\$1,676**
 - Commercial/Office/Services Unit = **\$2,534**

Proposed Admin Charge

- Table S.1 in the Executive Summary of the Impact Fee Report Shows the Base Impact Fees Shown in This Presentation
- Table S.2 in the Executive Summary Shows the Impact Fees with a **4.7% Administrative Charge** Added to Cover Costs of Complying with Mitigation Fee Act Requirements
- It is Common for Local Agencies in California to Add a Small Administrative Charge to Impact Fees

Projected Revenue

- Projected Park Impact Fee Revenue = **\$1,679,573**
which could be used to acquire and improve about 2.6 acres of additional parks
- Projected Fire Impact Fee Revenue = **\$1,283,951**
 - Estimated Cost of Fire Station Expansion and New Type I Engine = **\$1.7M**
 - Additional Funding Needed for Fire Station Expansion and New Type I Engine = **\$400,000**

Questions and Comments

Thank you!
Questions?

Nicole Kissam

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RESOLUTION 24-2025

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE GROVELAND COMMUNITY SERVICES DISTRICT RESCINDING RESOLUTION 21-2021 WHICH ACCEPTED THE 2021 DEVELOPMENT IMPACT FEE STUDY REPORT, AND ACCEPTING THE DEVELOPMENT IMPACT FEE REPORT PREPARED BY NBS CONSULTING DATED OCTOBER 25, 2023

WHEREAS, the Groveland Community Services District (herein referred to as District) is a local government agency formed and operating in accordance with Section § 61000 et seq. of the California Government Code; and

WHEREAS, the District provides fire protection, emergency medical and related services to persons and properties within its boundaries and under mutual aid response areas, and desires to enhance and expand its facilities and equipment to respond to an increasing emergency call volume while maintaining call response times and related service levels; and

WHEREAS, the District provides park facilities and services for the benefit of community residents and visitors and desires to expand, reconfigure and improve its park facilities to provide functional, safe and engaging public parks as the population and park use increases with population growth; and

WHEREAS, the District desires to establish a Capital Fire and Park Facilities/Equipment Development Impact Fee program to recover the capital costs to provide service to new development; and

WHEREAS, the fee schedule is intended to be updated on an annual basis to account for inflationary costs and/or as updates are needed based upon updated services master plans and the current/actual costs of construction, expansion and equipping parks and fire stations; and

WHEREAS, a Development Impact Fee Report was prepared by NBS Consulting dated June 18, 2021, and was adopted by the Board on July 13, 2021 by way of Resolution 21-2021; and

WHEREAS, in September of 2021, Assembly Bill 602 (AB 602) was passed by the California Legislature which created new requirements for the development impact fees implemented after January 1, 2022; and

WHEREAS, a revised Development Impact Fee Study Final Report, dated October 25, 2023, and the associated Development Impact Fee Schedule prepared by NBS Consulting contain updates to the fee analysis in compliance with AB 602; and

WHEREAS, the District held a public meeting on July 8, 2025, to review and accept the revised Development Impact Fee Study and Fee Schedule; and

WHEREAS, the District expects to enter into an agreement in the future with the County of Tuolumne to formally adopt, implement, and administer the Capital Fire and Park Facilities Development Impact Fee program.

NOW, THEREFORE, BE IT RESOLVED, that the Groveland Community Services District does hereby:

1. Rescind Resolution 21-2021 accepting the 2021 Development Impact Study Report which was never implemented due to the adoption of AB 602.
2. Accept the Development Impact Fee Study Final Report dated October 25, 2023 as complete and the associated Fee Schedule as detailed in Table S-2 of said report; and
3. Authorize the General Manager or his or her designee to engage the County of Tuolumne to implement the Development Impact Fee Schedule.

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Groveland Community Services District on July 8, 2025, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVE:

Nancy Mora, Board President

ATTEST:

Rachel Pearlman, Board Secretary

CERTIFICATE OF SECRETARY

I, Rachel Pearlman, the duly appointed and acting Secretary of the Board of Directors of the Groveland Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Regular Meeting of the Board of Directors of the Groveland Community Services District, duly called and held on July 8, 2025.

DATED: _____