

ORANGE COUNTY
2005 FIRE/RESCUE SERVICES IMPACT FEE
UPDATE STUDY



Prepared for:
Orange County

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**ORANGE COUNTY
FIRE/RESCUE SERVICES IMPACT FEE**

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**ORANGE COUNTY
2005 FIRE/RESCUE SERVICES IMPACT FEE UPDATE STUDY**

I. INTRODUCTION

Orange County currently has a Fire/Rescue Services Impact Fee based on a technical study that was last updated in 1999. Given the changes in the inventory and various cost components, the County retained Tindale-Oliver & Associates (TOA) to update the study.

Fire-rescue impact fees are used to fund land acquisition, the construction and expansion of fire-rescue service-related facilities and the purchase of capital equipment required to address the additional fire-rescue service demands created by new growth. This report summarizes the County's 2005 Fire/Rescue Services Impact Fee Update Study and will serve as the technical document in updating the Ordinance.

There are several major elements associated with the development of the fire-rescue impact fee. These include:

- Inventory of Existing Facilities, Standards and Level of Service
- Baseline Conditions and Demand Component
- Cost Component
- Credit Component
- Net Fire-Rescue Impact Cost
- Proposed Fire-Rescue Impact Fee Schedule
- Comparison of Current and Proposed Impact Fee Schedules

These items are all discussed in subsequent sections of this document. In addition, a cost index is also provided.

II. SERVICE AREA

Orange County Fire/Rescue Department provides fire/rescue services primarily to the unincorporated county. In addition, it provides fire, dispatch and/or rescue services to the following municipalities:

Municipality	Type of Agreement
City of Belle Isle	Fire Protection and Rescue Services
City of Eatonville	Fire, Dispatch, and Rescue Services
City of Edgewood	Fire Protection and Rescue Services
City of Maitland	Dispatch Services
City of Mount Dora	Fire Protection and Rescue Services
City of Oakland	Fire Protection and Rescue Services
	Joint Fire Station
City of Ocoee	Fire and Rescue Dispatch Services
City of Orlando (Lake Nona)	Fire and Rescue Services
City of Winter Garden	Fire and Rescue Dispatch Services
City of Winter Park	Fire and Rescue Services

The County receives a payment from each municipality for these services. According to the Orange County Fire/Rescue Department representatives, revenues received from the municipalities for these services are used toward operations or capital replacement in almost all cases. There are two agreements that are set up differently. One is the joint fire station being built in the City of Oakland, where the County will use impact fee revenues to fund a portion of this new station.

The other is with the City of Winter Park where the County transferred the ownership of a fire station that was located in unincorporated county when the City annexed this area. With this transfer, the City became responsible for providing fire and rescue services within the Contract Area, which includes a part of the unincorporated county. The County returned to the City impact fees collected in the Contract Area for the City to use for capital expenditures related to the Station.

Based on these agreements, it appears that the County's primary responsibility is to provide fire and rescue services within the unincorporated County and build facilities according to the needs of the unincorporated County. Although the County provides limited services to some of the municipalities, revenues received from these services are used toward operational or capital replacement expenditures instead of capital expansion costs. Given all this, it is appropriate to use the unincorporated county as the service area.

III. INVENTORY

The Orange County Fire and Rescue Department has a total 36 stations and responded to 72,115 alarms in 2003. Table 1 provides a summary of fire/rescue alarms the County received over the past nine years. As presented in the Table, between 1995 and 2003, the number of alarms increased continuously except from 1999 to 2000. According to the Orange County Fire and Rescue Department representatives, this anomaly resulted from higher call volumes in 1998 and 1999 which were directly attributed to the two devastating brush fire seasons that Orange County and all of Central Florida experienced during this same time period. In 2000, the County's call volume leveled out and returned to average number of calls.

Table 1
Orange County Fire/Rescue Alarms

Year	Alarms	Annual Change	Percent Change
1995	54,990		
1996	55,837	847	1.5%
1997	60,437	4,600	8.2%
1998	66,438	6,001	9.9%
1999	69,783	3,345	5.0%
2000	66,438	-3,345	-4.8%
2001	69,343	2,905	4.4%
2002	71,026	1,683	2.4%
2003	72,115	1,089	1.5%

Source: Orange County Fire and Rescue Department

Table 2 provides a summary of Orange County fire stations. As presented, the County's inventory includes almost 319,000 square feet of building space on a total of 81 acres of land that is owned by the County. The replacement value of the buildings and the assessed value of the land amount to \$49 million.

**Table 2
Inventory of Buildings and Land**

NAME OF BUILDING	ADDRESS	CITY	YEAR BUILT	OCC TYPE	SQUARE FOOTAGE	ADJUSTED COST OF REPLACEMENT 4/1/04-4/105 ⁽⁸⁾	ACRES	ASSESSED LAND VALUE
FIRE STATION #20 (1)	3200 WASHINGTON ST	ZELLWOOD	1962	FIRE STATION	6,175	\$655,350	1 est.	\$9,013
FIRE STATION #27	598 WEIKVA SPRINGS RD.	APOPKA	1998	FIRE STATION	1,216	\$111,885	N/A	N/A
FIRE STATION #28	3250 CLARCONA ROAD	APOPKA	1995	FIRE STATION	2,000	\$117,569	12.00	\$72,000
FIRE STATION #29	225 E KELLY PARK ROAD	APOPKA	1995	FIRE STATION	2,000	\$117,569	4.78	\$23,900
FIRE STATION #30	34 SOUTH HASTINGS STREET	ORLO VISTA	1992	FIRE STATION	12,567	\$1,794,568	2.07	\$31,050
FIRE STATION #31 (2)	6116 S. APOPKA VINELAND RD	ORLANDO	1978	FIRE STATION	11,885	\$1,697,178	N/A	N/A
FIRE STATION #33	1700 APOPKA VINELAND RD	ORLANDO	2001	FIRE STATION	6,500	\$928,200	1.99	\$104,475
FIRE STATION #34	4001 SR 535	WINTER GARDEN	1986	FIRE STATION	5,378	\$767,978	1.49	\$17,135
FIRE STATION #36	12252 STATE ROAD 535	GRAND CYPRESS	1986	FIRE STATION	8,736	\$1,247,501	1.37	\$27,400
FIRE STATION #37 (3)	540 E. OAKLAND AVE	OAKLAND	2004	FIRE STATION	6,000	\$1,300,000	N/A	N/A
FIRE STATION #40	5570 BEGGS ROAD	ORLANDO	1979	FIRE STATION	6,561	\$936,911	3.45	\$172,921
FIRE STATION #41	4418 FAIRVIEW AVE	ORLANDO	1990	FIRE STATION	10,228	\$1,460,558	0.49	\$63,900
FIRE STATION #42	5420 SILVER STAR RD.	ORLANDO	1974	FIRE STATION	9,184	\$1,311,475	3.47	\$74,700
FIRE STATION #43	7875 W. SILVER STAR RD	ORLANDO	2001	FIRE STATION	6,500	\$928,200	1.5 to 2. Est.	\$435,000
FIRE STATION #50	1415 WEST 29TH STREET	ORLANDO	1980	FIRE STATION	7,770	\$1,109,556	2 est.	\$35,100
FIRE STATION #51 (4)	1700 WEST OAKRIDGE ROAD	ORLANDO	1965	FIRE STATION	11,650	\$1,663,620	1.48	\$387,000
FIRE STATION #52	4765 SAND LAKE ROAD	ORLANDO	1980	FIRE STATION	5,000	\$714,000	1.74	\$283,931
FIRE STATION #53	1270 LAQUINTA DR	ORLANDO	1977	FIRE STATION	3,432	\$490,090	1.06	\$149,899
FIRE STATION #54	6500 CENTRAL FLORIDA PKWY	ORLANDO	1992	FIRE STATION	13,700	\$1,956,360	5 est.	\$1,138,306
FIRE STATION #55	11442 INTERMODAL WAY	ORLANDO	2004	FIRE STATION	1,306	\$120,000	N/A	N/A
FIRE STATION #56 (5)	1303 INTERNATIONAL DRIVE	ORLANDO	2004	FIRE STATION	7,431	\$1,995,046	1.67	\$375,750
FIRE STATION #58	2900 DEERFIELD BLVD.	ORLANDO	1999	FIRE STATION	6,000	\$856,800	1.84	\$360,351
FIRE STATION #63	2450 GOLDENROD ROAD	ORLANDO	1965	FIRE STATION	6,500	\$928,200	2.24 (7)	\$26,520
FIRE STATION #65 (6)	4999 N. ORION BLVD.	ORLANDO	1999	FIRE STATION	6,000	\$856,800	N/A	N/A
FIRE STATION #66	996 N. SEMORAN BLVD	ORLANDO	1970	FIRE STATION	5,280	\$753,984	0.64	\$160,914
FIRE STATION #70	1027 E. WALLACE STREET	ORLANDO	1950	FIRE STATION	6,500	\$928,200	2.00	\$174,316
FIRE STATION #71	4405 S. GOLDENROD ROAD	ORLANDO	1970	FIRE STATION	8,667	\$1,237,648	1.79	\$14,320
FIRE STATION #72	3705 S. CONWAY ROAD	ORLANDO	1994	FIRE STATION	6,500	\$928,200	3.18	\$95,400
FIRE STATION #73	811 FIRST STREET	ORLANDO	1955	FIRE STATION	2,484	\$354,715	1 est.	\$18,000
FIRE STATION #76	11361 S NARCOOSSE ROAD	ORLANDO	1972	FIRE STATION	4,992	\$712,858	1.26	\$22,680
FIRE STATION #80	1841 BONNEVILLE RD	ORLANDO	1973	FIRE STATION	12,430	\$1,775,004	2 est.	\$180,000
FIRE STATION #81	1382 NORTH CHICKASAW TR	ORLANDO	1970	FIRE STATION	3,016	\$430,685	1 est.	\$35,849
FIRE STATION #82	500 STORY PARTIN ROAD	BITHLO	1991	FIRE STATION	10,000	\$1,428,000	1.79	\$10,740
FIRE STATION #83	11950 LAKE UNDERHILL ROAD	ORLANDO	1989	FIRE STATION	11,000	\$1,570,800	2.00	\$87,000
FIRE STATION #84 (Relocation)	1221 N. FT CHRISTMAS RD	ORLANDO	1995	FIRE STATION	1,792	\$117,569	4.50	\$19,350
FIRE STATION #85	13801 TOWNSEND DRIVE	ORLANDO	2004	FIRE STATION	7,431	\$1,640,000	1.23	\$241,101
FIRE FLEET OPS/WAREHOUSE COMPLEX	400 S. GASTON FOSTER RD	ORLANDO	1960	WAREHOUSE	14,056	\$885,080	1.52	\$91,200
FIRE ADMINISTRATION COMPLEX	6590 AMORY COURT	WINTER PARK	1994	OFFICE	60,845	\$6,473,187	6.5	\$776,160
TOTAL					318,712	\$43,301,344	81.3	\$5,715,381

(1) Includes portable transmitter building.

(2) The land is not owned by the County. It is leased from Dr. Phillips, Inc.

(3) The land and building are owned by the City of Oakland. The County paid for and occupies 6,000 sf of it.

(4) Includes the storage building to keep the self-contained breathing apparatus.

(5) Recently opened. Preliminary cost information is provided.

(6) The County does not own the land. The Station is on the University of Central Florida grounds and the land is owned by the State.

(7) Other land consists of wetlands and are not developable.

(8) Replacement costs are based on annual increase estimates provided by the Risk Management Division.

Source: Orange County Fire and Rescue Department

During the last impact fee update study, the Department had 32 stations. Of these, one station (Station 64) was lost due to annexation. Since the last update, seven new stations were built. Of these, two were to replace temporary/low quality structures (Stations 37 and 58) with permanent stations. The addition of five new stations along with the loss of one station due to annexation increased the current number of station to 36.

In addition to the buildings and land, the Fire Rescue Department also owns \$37.6 million worth of equipment. A detailed listing of this equipment is included in Appendix A. As presented in Table 3, the total capital cost per station is \$2.4 million.

**Table 3
Capital Cost per Station**

	Cost	Percent of Total	
Building Replacement Value (1)	\$43,301,344	50%	
Assessed Land Value (2)	\$5,715,381	7%	
Equipment Cost (3)	\$37,606,952	43%	
Total	\$86,623,677	100%	
Number of Stations (4)			36
Total Capital Cost per Station (5)			\$2,406,213

- (1), (2) and (4) Source: Table 2
- (3) Source: Appendix A
- (5) Total cost divided by the number of stations.
- Source: Orange County Fire Rescue Department

IV. SERVICE DELIVERY

The Fire Rescue Element of the Comprehensive Plan defines the level of service in terms of the maximum response time of eight minutes for 75 percent of the calls. However, the previous technical study used calls per station as the standard. In 1998, the County was handling 1,833 calls per station. Based on 2003 call information, the current level of service is 2,185 calls per station (72,115 calls from Table 1 divided by 33 stations from Table 2, which excludes the three new stations that are built in 2004). This increase in the number of calls per station could partially be attributed to improved technology, which allows stations to handle more calls.

V. COST COMPONENT

As presented in Table 4, the inventory cost per alarm is \$1,092. Because the data available for alarms is through 2003, the inventory excludes the buildings and equipment built or acquired in 2004.

Table 4
Capital Cost per Alarm

	Cost	
Building Replacement Value (1)	\$38,246,297	
Assessed Land Value (2)	\$5,098,530	
Equipment Cost (3)	\$35,422,020	
Total	\$78,766,847	
Number of Alarms -- 2003 (4)		72,115
Total Capital Cost per Alarm (5)		\$1,092

(1), (2) Source: Table 2 (excludes the cost of stations built in 2004)

(3) Source: Appendix A (excludes the cost of equipment purchased in 2004)

(4) Source: Table 1

(5) Total cost divided by the number of alarms.

Source: Orange County Fire Rescue Department

VI. CREDIT COMPONENT

In order to avoid overcharging for the fire/rescue facilities impact fee, a review of the capital financing program for these facilities was completed. The purpose of this review was to determine any potential revenue credits that should be considered for revenues generated by new development that could be used for capital facility, land, and equipment expansion of fire/rescue facilities.

Based on the evaluation of past and future expenditures and funding sources, it is our understanding that all capital expansion expenditures (buildings, land and equipment) are funded with impact fees.

However, to accommodate the possibility of using non-impact fee funding sources toward fire/rescue facilities expansion expenditures, a credit is given.

For this, credit for future payments made by new development for fire/rescue facilities is taken into consideration. The question posed here is the extent to which new development will contribute to the overall general revenue base over the next 20 years, which is considered an acceptable planning period. Table 5 illustrates that, based on growth rates obtained from the Bureau of Economic and Business

Research (BEBR) for the 2004 – 2025 period, new development’s share of total development will be 18.19 percent. Given that historically fire-rescue buildings and equipment are built/purchased using impact fees only, the total impact cost per alarm will be reduced by 50 percent of this factor, or by 9.10 percent, to account for new revenue generated by new development that may flow into the general fund (such as grants, MSTU, ad valorem taxes, etc.) and be used to help finance fire/rescue facilities.

Table 5
New Development’s Share of Total Development

Year	Unincorporated County Population ⁽¹⁾
2004	662,530
2005	675,291
2006	688,297
2007	701,554
2008	715,066
2009	728,839
2010	742,877
2011	756,908
2012	771,204
2013	785,771
2014	800,612
2015	815,734
2016	831,141
2017	846,839
2018	862,834
2019	879,131
2020	889,766
2021	903,674
2022	917,799
2023	932,145
2024	946,715
2025	961,512
Existing Development's Share (2025) ⁽²⁾	81.81%
New Development's Share (2025) ⁽³⁾	18.19%
Percent Credit at 50 percent	9.10%

(1) Calculated based on future population projections provided by the University of Florida, Bureau of Economic and Business Research.

(2) Existing development's share is calculated as:

$$\frac{2004 \text{ population } (662,530) \times \text{number of years}}{\text{Sum of the actual population of the same years}}$$

For example, the existing development's share in 2025 = (662,530 x 22) /

17,816,239 (sum of projected population for all the years) = 81.81%

(3) 100% less the percentage of existing development's share (Item 2).

VII. NET IMPACT COST

Table 6 presents the net impact cost per alarm. The total impact cost of \$1,092 is reduced by 9.1 percent to reflect the new development's share of the future non-impact fee revenues that may be used toward fire/rescue services capital expansion expenditures.

Table 6
Net Impact Cost

Element	Figure
Cost per Alarm (1)	\$1,092
New Development's Share (2)	9.1%
Credit Amount (3)	\$99
Net Cost per Alarm (4)	\$993

(1) Source: Table 4

(2) Source: Table 5

(3) Item (1) multiplied by item (2)

(4) Item (1) less item (3)

VIII. DISTRIBUTION OF CALLS FOR SERVICE

In determining the revised impact fee for each land use, it is necessary to distribute calls among land uses. Of the 72,115 calls received in 2003, 48,851 were assigned to a land use. Of the remaining calls, 18,315 were related to traffic incidents or other outside activities; 2,593 were classified as "residential other" and were redistributed among residential uses; and 1,127 were from schools. Since public schools are not charged an impact fee, these calls were also redistributed among other land uses. Finally, approximately 229 calls were not classified due to lack of data. In order to assign all calls to the appropriate land uses, the percentage calculated for each land use based on the assigned calls is used to distribute unassigned calls, which is presented in Table 7. Based on these calculations, single family homes have the highest call rate, followed by multi-family residential and commercial retail land uses.

A final step in this process involves the calculation of calls per units of development, which is also presented in Table 7. In this calculation, of the residential land uses, single-family, multi-family, and mobile home uses are measured by dwelling units and the information for these land uses are obtained from the Census 2000 data and building permit information from 2001 to 2003. Hotel/motel is measured by rooms. To determine the total number of rooms, the Property Appraiser's database was utilized, and in cases where the number of rooms was not provided, this figure was calculated based on the living area square footage and an average of 752 square feet per room. The average square footage per room (752) is

calculated based on those hotel/motel properties for which both the square footage and the number of rooms were available in the Property Appraiser's database. Non-residential uses are measured by building square footage of living area based on the Property Appraiser's database.

**Table 7
Land Use Distribution of Calls**

Land Use	2003 Calls (1)	Percent Distribution (Assigned Residential Uses) (2)	Percent Distribution (All Assigned Uses) (3)	Distribution of Unassigned Calls (4)	Total Calls (5)	Revised Percentage (6)	Units of Development (7)	Calls per Unit (8)
Calls Assigned to a Land Use:								
Residential:								
Single Family/Mobile Home	26,210	70.9%	52.6%	12,180	38,390	53.2%	189,791	0.20227
Multi Family	7,455	20.2%	15.0%	3,464	10,919	15.1%	61,599	0.17727
Hotel/Motel	3,322	9.0%	6.7%	1,544	4,866	6.7%	29,687	0.16390
Non-Residential:								
Office/Institutional	5,473		11.0%	2,160	7,633	10.6%	41,447	0.18416
Industrial	491		1.0%	194	685	0.9%	17,275	0.03964
Storage	1,214		2.4%	479	1,693	2.3%	35,514	0.04767
Commercial Retail	5,686		11.4%	2,244	7,930	11.0%	35,257	0.22491
	49,851		100.0%	22,264	72,115	100.0%		
Calls Not Assigned to a Land Use:								
Residential Other	2,593							
Schools	1,127							
Traffic Related	9,888							
Other Outside	8,427							
Unclassified	229							
Total Calls	72,115							
Total Unassigned Calls (9)	19,671							

(1) Source: Orange County Fire Rescue Department

(2) Percent of assigned residential calls for each residential land use.

(3) Percent of all assigned calls (49,851) for each land use

(4) Item (2) multiplied by "residential other" calls plus item (3) multiplied by item (9)

(5) Item (1) plus item (4)

(6) Percent of total calls (72,115) for each land use

(7) Residential Uses: Sources for SF, MF and Mobile Home are 2000 Census Data and Building Permit Information Received from Orange County through 2003. Source for remaining land uses is the Property Appraiser Database, August 2004.

(8) Item (5) divided by item (7)

(9) Sum of schools, traffic related, other outside, and unclassified calls. Excludes residential other since the distribution of these calls are based on percentage of residential uses only (see item (2)). Overall total, including residential other, would be 22,264.

IX. PROPOSED IMPACT FEE SCHEDULE

Based on the net impact cost and the distribution of the calls among land uses, a revised impact fee schedule is prepared. As presented in Table 8, the fees range from \$163 per room for hotel/motels to \$201 per unit for single family/mobile homes for residential uses and \$39 per 1,000 square feet of industrial to \$223 per 1,000 square feet of commercial retail land use for non-residential land uses.

Table 8
Proposed Impact Fee Schedule

Land Use	Unit	Calls per Unit (1)	Proposed Impact Fee (2)
Residential:			
Single Family/Mobile Home	du	0.20227	\$200.85
Multi Family	du	0.17727	\$176.03
Hotel/Motel	room	0.16390	\$162.75
Non-Residential:			
Office/Institutional	1,000 sf	0.18416	\$182.87
Industrial	1,000 sf	0.03964	\$39.36
Storage	1,000 sf	0.04767	\$47.34
Commercial Retail/Assembly	1,000 sf	0.22491	\$223.34
Net Impact Cost per Alarm (3)		\$993	

(1) Source: Table 7

(2) Item (1) times item (3)

(3) Source: Table 6

X. COMPARISON OF EXISTING AND PROPOSED IMPACT FEE SCHEDULES

Table 9 presents a comparison of the existing and proposed impact fee schedules. It should be noted that the land uses included in the office/institutional and commercial retail categories are different than those included in the 1999 study. The difference results from the distribution of assembly land uses among office/institutional, commercial retail and, to a lesser degree, industrial categories instead of including all of them in the office/institutional category. Based on discussions with County representatives, this revision was found necessary for a more equitable fee schedule.

As presented, the largest increase is in the storage land use followed by multi-family. The large increase in storage could be due to 1999 study using a sample of calls while this update having a full-year worth of call data and increased development in the County. For example, in the case of storage, the number of calls increased by 74 percent from 1999 to 2003 while the number of billing units increased by 27 percent, leading to an increase of 37 percent in calls per unit. This together with a cost increase of the 39 percent resulted in an overall fee increase of 112 percent.

Table 9
Comparison of Impact Fee Schedules

Land Use	Unit	Existing Impact Fee (1)	Proposed Impact Fee (2)	Percent Change
Residential:				
Single Family/Mobile Home	du	\$148.69	\$200.85	35%
Multi Family	du	\$127.17	\$176.03	38%
Hotel/Motel	room	\$172.13	\$162.75	-5%
Non-Residential:				
Office/Institutional	1,000 sf	\$229.87	\$182.87	-20%
Industrial	1,000 sf	\$43.30	\$39.36	-9%
Storage	1,000 sf	\$22.38	\$47.34	112%
Commercial Retail/Assembly	1,000 sf	\$178.02	\$223.34	25%

(1) Source: Orange County Planning Division

(2) Source: Table 8

XI. INDEXING

In many cases, impact fees are reviewed periodically (every three to five years, etc.) instead of on an annual basis with no adjustment to the fee schedule during this period. This creates a situation where major adjustments become likely to be required during updates due to the time between the adjustments. In recent years, the most volatile component of the total cost has been the land value. This factor creates the potential for major changes in the fee schedule if several years are allowed to pass before the fee schedule is updated. These significant adjustments also create major concerns in the development community.

It is recommended that the fire/rescue facilities impact fees are adjusted for building, land and equipment costs on an annual basis.

Building Costs

The cost of building fire/rescue buildings should be indexed in a fixed amount each year based on the national building cost index provided by the Engineering News-Record. As presented in Table 10, between 2001 and 2004, the average increase in building cost has been approximately 3.7 percent.

Table 10
Building Cost Index
(National Average)

Year	Annual Avg	Percent Change
2001	3574	
2002	3623	1.4%
2003	3693	1.9%
2004	3984	7.9%
Average		3.7%

Source: Engineering News-Record, Building Cost Index History (1915-2003)

Land Costs

Just property values in the unincorporated Orange County increased by an annual average of 10.9 percent between 2001 and 2004 based on information provided by the Orange County Property Appraiser's Office, which is presented in Table 11.

Table 11
Just Property Value Index

Year	Unincorporated County Just Land Values	Percent Increase
2001	\$10,407,532,685	
2002	\$11,038,670,634	6.1%
2003	\$12,683,995,046	14.9%
2004	\$14,149,970,646	11.6%
Average		10.9%

Source: Orange County Property Appraiser

Equipment Costs

For equipment costs, it is recommended that Consumer Price Index (CPI) be used for indexing purposes. Table 12 presents the annual cost increase over the past four years, which averages to an annual increase of 2 percent.

Table 12
Equipment Cost Index
(South Region)

Year	Annual Index	Percent Change
2001	109.6	
2002	110.8	1.1%
2003	113.1	2.1%
2004	116.2	2.7%
Average		2.0%

Source: US Dept of Labor, Bureau of
Labor Statistics (www.bls.gov)

Application

It may be useful to illustrate how these indices can be applied. The calculation of the combined index is presented in Table 13. The first column of this table includes average annual increases for the three cost components. The second column presents the distribution of the inventory. As presented in Table 3, of the \$86.6 million of total inventory cost, 50 percent is for the buildings (\$43.2 million), seven percent is for the land (\$5.7 million) and 43 percent is for equipment (\$37.6 million). Applying these percentages to the average cost increases presented previously would provide a combined index of 3.5 percent, which then can be applied to all fees presented in Table 8.

Table 13
Indexing Application -- Combined Index

Cost Component	Annual Increase⁽¹⁾	Percent of Total⁽²⁾	Index⁽³⁾
Building Cost	3.7%	50%	1.9%
Land Cost	10.9%	7%	0.8%
Equipment Cost	2.0%	43%	0.9%
Total			3.5%

(1) Source: Tables 10 through 12

(2) Source: Table 3

(3) Annual increase (Item 1) multiplied by percent of total (Item 2)

Table 14 presents the indexed fee schedule for the four years following the adoption of the revised fee. With indexing, the fire impact fee for the single family residential land uses increases from \$201 to \$230 at the end of the first four years.

Table 14
Indexed Fees

Land Use	Year 1 Proposed Impact Fee (1)	Year 2 (2)	Year 3 (3)	Year 4 (4)	Year 5 (5)
Residential:					
Single Family/Mobile Home	\$200.85	\$207.88	\$215.16	\$222.69	\$230.48
Multi Family	\$176.03	\$182.19	\$188.57	\$195.17	\$202.00
Hotel/Motel	\$162.75	\$168.45	\$174.35	\$180.45	\$186.77
Non-Residential:					
Office/Institutional	\$182.87	\$189.27	\$195.89	\$202.75	\$209.85
Industrial	\$39.36	\$40.74	\$42.17	\$43.65	\$45.18
Storage	\$47.34	\$49.00	\$50.72	\$52.50	\$54.34
Commercial Retail/Assembly	\$223.34	\$231.16	\$239.25	\$247.62	\$256.29
Annual Index (6)		3.5%			

(1) Source: Table 8

(2) Year 1 figures (Item 1) multiplied by (1+0.035), annual index (Item 5)

(3) Year 2 figures (Item 2) multiplied by (1+0.035), annual index (Item 5)

(4) Year 3 figures (Item 3) multiplied by (1+0.035), annual index (Item 5)

(5) Year 4 figures (Item 4) multiplied by (1+0.035), annual index (Item 5)

(6) Source: Table 13

APPENDIX A