

**EAST CONTRA COSTA FIRE PROTECTION DISTRICT
BOARD OF DIRECTORS**

Meeting Date: August 19, 2019

Subject/Title: Approval of Memorandum of Understanding Regarding Fire Services for Vineyards at Deer Creek Project, and Resolution of Support for the Project and for City of Brentwood Measure L, Adjusting the City's Urban Limit Line, Amending the City's General Plan and Municipal Code, and Adopting the Vineyards at Deer Creek Specific Plan Zone

Submitted by: Brian Helmick, Fire Chief

RECOMMENDATION FOR ACTION

That the Board of Directors (Board) approve:

1. Execution of a Memorandum of Understanding Regarding Fire Services for Vineyards at Deer Creek Project (MOU); and
2. Resolution of Support for (a) the Vineyards at Deer Creek Project (Project) and (b) City of Brentwood Measure L, Adjusting the City of Brentwood's Urban Limit Line, Amending the City of Brentwood General Plan and Municipal Code, and Adopting the Vineyards at Deer Creek Specific Plan Zone (Measure L).

STRATEGIC INITIATIVE

The East Contra Costa Fire Protection District's (District) Strategic Plan 2019-2023 and Implementation Action Plan include:

- Goal A: Ensure financial stability and sustainability.
 - Strategy A4: Partner with local jurisdictions to identify and secure future station sites and needed funding mechanisms which may include both capital and operating contributions.
- Goal B: Reduce response times for emergency services throughout the District.
 - Strategy B1: Add staffing and/or stations to meet current service level response time standards.

PREVIOUS ACTION

In December 2018, the Board adopted the District's 2019-2023 Strategic Plan, which acknowledges a present need to reduce response times for emergency services throughout the District, and sets forth a series of strategies to ensure the financial stability and sustainability of the District. These strategies call for the District to partner with local jurisdictions to identify and secure future station sites and needed funding mechanisms which may include both capital and operating contributions, including various District-wide alternatives. The Strategic Plan also calls for new development to cover the costs resulting from new growth through mechanisms such as development fees and community facilities districts.

On August 14, 2019, the Board considered and endorsed using funds associated with new development to form one or more two-person rescue squads as a means of supplementing

emergency response service and serving as a bridge to new three-person engine crews while sustainable funds for full crews are secured. The Board directed staff to pursue opportunities to fund two-person rescue squads through future developments, starting in the City of Brentwood (Brentwood), which has already taken City Council action in support of the concept.

SUBJECT BACKGROUND

The District provides fire protection and emergency response services to the City of Brentwood, the City of Oakley, and portions of unincorporated Contra Costa County, including Discovery Bay, Bethel Island, Marsh Creek, Morgan Territory, Byron and Knightsen.

The Vineyards at Deer Creek and City of Brentwood Measure L

GBN Partners LLC (GBN), holds an option to acquire approximately 815 acres located in Contra Costa County, north of Balfour Road and adjacent to the municipal boundaries of the City of Brentwood, but outside of the City's urban limit line. GBN desires to develop the Property with a residential community to be known as "The Vineyards at Deer Creek."

GBN has qualified Measure L for consideration by the City's voters on the November 2019 ballot. If adopted, Measure L will institute a number of actions to facilitate the development of the Project, including an adjustment of the City's urban limit line to include the Project, amendments to the City's General Plan and Municipal Code, and adoption of a Vineyards at Deer Creek Specific Plan Zone. The full text of Measure L can be viewed on the City's website at:

http://brentwoodca.igam2.com/Citizens/Detail_LegiFile.aspx?Frame=&MeetingID=2172&MediaPosition=&ID=1902&CssClass .

The Project would be built on four unimproved parcels within an unincorporated portion of the District's service area. The Project is anticipated to include approximately 2,400 residential units at buildout. The District's current staffing and resources are insufficient to support the Project, and without additional resources, the Project would exacerbate the District's existing service deficits.

FISCAL IMPACT

Staff estimates that the District will need one additional, fully-staffed fire station to provide fire protection and emergency response services to the Project. Building, equipping and staffing a station would cost approximately \$10-11 million; ongoing operations would cost approximately \$4 million per year (both in 2019 dollars).

Existing Revenue Sources

The District currently receives negligible property taxes for the property on which the Project would be built, both due to the value of the property and the percent of property tax revenues accruing to the District. However, development of the Project will dramatically increase the value of the property and associated property taxes, and the City's fiscal analysis of the Project estimates that the District will receive between 13.1% and 16.3% of the property tax revenue from the Project, a rate higher than most properties in the District's service area. Property tax revenues accruing to the District from the Project are estimated to be \$2 million - \$2.5 million in additional revenue annually. The actual number will vary based on the eventual development scenario, and a number of other factors.

The District expects the Project also would be subject to the City's fire facility impact fee schedule to help fund capital needs, such as new fire stations and engines.

Proposed Memorandum of Understanding

As addressed above, additional funding would be necessary to provide the essential levels of fire protection and emergency response service to the Project. GBN and District staff have negotiated a memorandum of understanding outlining GBN's planned contributions to such funding needs. Through the MOU, GBN has committed to the following actions:

- Working with the District and the City on long-term funding mechanisms for the District's needs.
- Establishing or participating in a community facilities district (CFD) that will provide ongoing funding for fire protection and emergency response services at levels consistent with those provided by other new developments in Brentwood. This may involve participating in a District-wide CFD, or formation of a Project-specific CFD.
- Funding the equipment and startup costs for a two-person rescue squad, estimated to be \$750,000, and collaborating with the District, the City and other developers to identify funding for the operations of the two-person rescue squad.
- Participating with other new development, on a fair share basis, in funding the development, design, and construction of a new fire station, if such a station is determined to be necessary (which staff believes to be the case).

The MOU is not a guarantee that the Project will generate sufficient revenue for the District to provide adequate fire protection and emergency response services to the Project. It is a public expression of GBN's intention to support and participate in the measures that the District has identified to establish long-term revenue solutions, and to work in good faith with the District, the City, and other developments to identify and pursue additional solutions to achieve the levels of funding necessary to provide adequate levels of fire protection and emergency response service to the Project.

If Measure L is approved, District staff and GBN both anticipate that more concrete commitments will follow in the anticipated development agreement for the Project, and other documents prepared in the development process. GBN has committed to paying the District's technical and legal costs associated with participating in future steps and negotiations.

Next Steps

If Measure L is approved in November, GBN will proceed through annexation, subdivision map and development approval processes with the Contra Costa County Local Agency Formation Commission (LAFCO) and the City. The MOU will provide a starting point for negotiations on commitments related to fire service in documents such as a pre-annexation agreement, Development Agreement, tax rate agreement, etc. Because the District is not a land use authority, these processes will be administered and directed by the LAFCO and the City, but District staff has been assured by the City that District will be included as an active party in negotiations.

If Measure L does not pass, the MOU would have no effect.

District Support for Measure L

In light of the commitments outlined above, GBN has requested that the District express its support for the Project and for Measure L. A proposed resolution of support is attached.

ATTACHMENTS:

Resolutions

Attachment A: Memorandum of Understanding Regarding Vineyards at Deer Creek