

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

**Meeting Date:** September 11, 2019

**Subject/Title:** Approval of Memorandum of Understanding Regarding Fire Services for Vineyards at Deer Creek Project, and Resolution Making Findings Relating to the Impacts of City of Brentwood Measure L and the Memorandum of Understanding Between the District and GBN Partners LLC on Fire Protection and Emergency Response Services

**Submitted by:** Brian Helmick, Fire Chief

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**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. A Resolution Making Findings Relating to the Impacts of City of Brentwood Measure L and the Memorandum of Understanding Between the District and GBN Partners LLC on Fire Protection and Emergency Response Services.

**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 (CFDs).

On August 19, 2019, the Board considered a previous iteration of the MOU and a resolution supporting the Project and Measure L. The Board declined to approve either the MOU or the resolution. The Board directed staff to negotiate a revised MOU for the Board's consideration,

and the Board President requested that staff to consult during such process with the Strategic Planning Ad Hoc Committee.

## **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.

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 within the District's service area (Property). GBN desires to develop the Property with a residential community to be known as "The Vineyards at Deer Creek" (Project), which is anticipated to include up to 2,400 residential units at buildout, and may include commercial and civic uses.

GBN has qualified Measure L for consideration by the City's voters on the November 2019 ballot.<sup>1</sup> 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 Project also includes several road and safety improvements on or near the Property that will improve local transportation networks and access for emergency response. These improvements include the extension of American Avenue consisting of its continuation west and north to create a second intersection with Balfour Road, the widening of certain portions of Balfour Road, and the extension of water lines for emergency services. The Project will also generate roadway impact fee revenue which will fund improvements that offset the impacts of the Project and improve emergency access, which may include roadway improvements on Deer Valley Road.

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. GBN approached the District in August regarding entering into a memorandum of understanding regarding fire protection and emergency response services that would provide resources to the District to allow the District to provide service to the Project consistent with national standards.

## **FISCAL IMPACT**

Based on the location of the Project, staff estimates that the District will need one additional, fully-staffed fire station to provide fire protection and emergency response services to the Project. The new population and structures the Project will add to the District's service area would otherwise require less than one full station. Building, equipping and staffing a station would cost approximately \$11 million; ongoing operations would cost approximately \$4 million per year (both in 2019 dollars).

### ***Existing Revenue Sources***

The District currently receives property taxes for the Property on which the Project would be built, though the revenue is negligible as the parcels are undeveloped. Development of the

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<sup>1</sup> The full text of Measure L can be viewed on the City's website at: [http://brentwoodca.ig2.com/Citizens/Detail\\_LegiFile.aspx?Frame=&MeetingID=2172&MediaPosition=&ID=1902&CssClass](http://brentwoodca.ig2.com/Citizens/Detail_LegiFile.aspx?Frame=&MeetingID=2172&MediaPosition=&ID=1902&CssClass).

Project will dramatically increase the value of the Property and associated property taxes. If Measure L passes and the Project proceeds, 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, at buildout, are estimated to be \$2 million - \$2.5 million (in 2019 dollars) in additional revenue annually. The actual number will vary based on the eventual development scenario, and various other factors.

The Project would also 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, with extensive involvement of the Board's Strategic Planning Ad Hoc Committee, have negotiated a MOU outlining GBN's planned contributions to such funding needs. Through the MOU, GBN has committed to the following actions:

- GBN will pay to the District \$4.5 million towards the cost of equipping and staffing a new station. These payments will consist of:
  - o A \$1 million lump sum payment at the outset of the Project.
  - o A per unit payment on the first 1,500 residential dwelling units totaling \$3.5 million.
- GBN will construct a fire station for the District similar in design to Station 53, an estimated value to the District of \$6.5 million.
  - o Additionally, if the District determines that the location of the station should be on the Property, GBN will dedicate a two acre parcel to the District for use as a fire station.
  - o As GBN is providing for the construction of the station, the District will request that the City waive its impact fees that would otherwise have gone towards construction of the station.
- GBN will participate in a CFD with a parcel tax that will generate not less than \$650 per built lot per year. At buildout, 2,400 homes would generate \$1,560,000 per year CFD tax revenues to fund District operations.

Staff believes that the commitments in this MOU, in conjunction with the property taxes generated by Project are sufficient to cover the \$11 million cost of constructing, equipping, and starting up a new station, and, at buildout, operational costs of \$4 million per year. Additional future development in the area may also contribute to the costs of equipping and operating the fire station.

### **NEXT STEPS**

GBN anticipates entering into subsequent agreements with the City, the first of which would be a pre-annexation agreement that would outline the annexation process and provide certain benefits to the City. If Measure L is approved in November, GBN will proceed through the annexation process with the Contra Costa County Local Agency Formation Commission (LAFCO) and the City, and the development process with the City. The development process will likely include additional agreements and approvals, such as a development agreement, a subdivision map, and conditional use permits. 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 participant in

negotiations, where appropriate. Staff expects that the commitments in the MOU will be incorporated into subsequent agreements between the City and GBN.

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

**ATTACHMENTS:**

Resolutions

Attachment A: Memorandum of Understanding Regarding Fire Protection Services for Vineyards at Deer Creek