

FINAL REPORT

September 24, 2009

TO: Town of Paradise/Butte County Ad Hoc Committee

FROM: Charles Rough, Paradise Town Manager

SUBJECT: Proposed Additional Fire Prevention, Emergency Preparedness and/or Fire Protection/Suppression Improvements to Our High Risk Fire Area

Three Alternative Plans Proposed:

Plan A: Proposed fire prevention & emergency preparedness improvements district for County and Town residents; or

Plan B: Proposed fire prevention, emergency preparedness & fire protection/suppression improvement district for County and Town residents; or

Plan C: Proposed individual districts (based on defined area of interest such as the Town of Paradise, Upper Ridge, Butte Creek Canyon, etc.) to implement fire prevention, emergency preparedness and/or fire protection/suppression improvements for the residents living in their respective areas

Introduction

The completion of this second and final report, and the three alternative proposals contained in this report, were delayed due to the additional background research that was involved, and a number of issues that have taken place since the initial report was submitted last February. In fact, a great deal has occurred, and is still evolving which will have a direct bearing on these alternative proposals, and their outcome.

These evolving issues and circumstances can be summarized as follows:

1. The budget and fiscal challenges facing the County which resulted in a reduction of their service contract with Cal-Fire, and subsequent fire station brown-outs; and the possibility that the County may further evaluate in the near future the entire issue of fire protection services for the county unincorporated area.
2. The recent Grand Jury Report, which endorsed the formation of a benefit-type assessment district to address additional emergency evacuation routes on the Ridge, improvements to existing routes, and increased emergency preparedness.
3. The first four (4) mile phase of the Highway 171 route road improvements which will begin this year.
4. The continuing decline of the national, state, regional and local economies that have placed increasing hardships on our residents, property owners, and businesses.
5. The never-ending State budget deficit crisis that might cause further, adverse financial impacts to both Butte County, and the Town of Paradise.
6. The Town of Paradise's formidable budget and fiscal challenges as a result of the economic recession and State budget crisis, which might affect the Town's future public safety capabilities.
7. Due to the circumstances stated above, both the County and Town's increasing lack of financial resources to fund additional levels of fire prevention, emergency preparedness, and fire protection/suppression that are needed in our high fire risk area.
8. The growing apprehension and concern among the citizens we serve about the possibility of additional taxation (direct and indirect) as a result of the ongoing state budget crisis, increased federal deficit, and growing national debt.

However, despite these very real issues, there remains one unmistakable fact: *The area in which we live is the most vulnerable, densely populated high risk fire area in Butte County.* As a result, the potential for a major catastrophic loss of lives and property in this area is not only real, but highly probable. Only through a concerted effort at the local level, can we hope to prevent such a potential catastrophe by a significant improvement to the level of fire prevention (education, fuels management, defensible space, enforcement, etc.); emergency planning and preparedness; and fire protection/suppression provided in this high risk area.

This high risk area is characterized by inaccessible terrain, canyons, ravines, dense overgrowth, fuels and vegetation that surrounds and weaves its way between much of the dense populations located in the area; exceptionally dry conditions due to a third year of drought, poor circulation among existing streets and roads, the lack of adequate, or adequately maintained evacuation routes; and a fire season that is extending longer during the year. *In other words, this area's high risk factor due to our vulnerability to fire represents the number one public safety challenge for both the hillside and canyon communities in this area.*

This final report includes changes to the original proposal, greater specificity to various aspects of the proposal, as well as additional alternatives for each of the "communities" within the proposed district to consider. The alternatives are intended to be as responsive to the ideas and suggestions that I've received since initiating this initiative, as well as an attempt to be more sensitive to the poor economic climate that continues to affect so many of our citizens and residents.

This report does not represent itself as containing the much more detailed information, cost estimates, and analyses that will be necessary to take any one of the three proposed alternatives to the next level. However, what the report attempts to do is provide enough information at this point for the decision-makers, as well as the general public, to have an educated discussion on the merits of the three proposed alternatives, as well as to consider any other worthwhile approach that might get us to a better place in terms of reducing this high risk area's vulnerability to fire.

The reality of a deeper and more prolonged nationwide economic recession, a serious state budget crisis that will continue despite an adopted budget, and the resulting dire financial challenges facing counties, cities and schools means that it is highly unlikely that our high risk area can realistically count on current federal, state or local government funding to provide us with the monies necessary to make a dramatic difference in fire prevention, emergency preparedness and fire safety protection for this area.

Therefore, it really is up to us at the community level to find some way to come up with the funding necessary to improve fire prevention, emergency preparedness and fire protection in this area. The single overriding motivation is nothing less than the simple truth that a major fire, or fires, in one, or more parts of this greater high risk area can adversely affect the safety and security of our families, neighborhoods, communities, local businesses and jobs. At a time when our local, regional and state economies are already suffering, we simply cannot afford to take a further hit to our local economy as the result of a destructive fire.

Regardless of which alternative, or other option, is ultimately determined as the preferred approach, *the threat of fire will never be completely eliminated*. We need to recognize that this is part of the risk that we assume in choosing to live in a more rural, foothill setting. However, there are a number of cost-effective, realistically achievable measures that can reduce the threat of fire, and the potential for widespread damage and destruction that a major fire could cause this rural area.

The Local Solution: Forming a Mello-Roos Community Facilities District

The Mello-Roos Community Facilities District (CFD) is the best (and most flexible) financing vehicle at the local level to enable this high risk area to achieve the type, and range of fire prevention, emergency preparedness and fire safety improvements that is needed.

A Mello-Roos Community Facilities District (CFD) provides local public entities (counties, cities, special or single purpose districts, school districts, community service districts, redevelopment agencies, or joint powers authorities) with a method of financing a broad range of public capital facilities and services in a defined area through imposition of a special tax (not assessment) on the area residents.

Although a Mello-Roos district is a legally constituted governmental entity, its powers are limited to financing specified facilities and services, and it thus serves as merely a financing vehicle for local governments that actually maintain and operate the facility, or provide the service.

A Mello-Roos Community Facilities District can provide financing for facilities and services only to the extent that they are *in addition* to those provided within the territory of the district before the district was created, and it *may not* supplant facilities or services already available within that territory. This is an important provision within the law to remember in light of cutbacks that have already taken place, or possible, further cutbacks to existing fire protection agencies and programs that presently serve this area.

The main advantage of a Mello-Roos district is that taxes imposed under the Mello-Roos Act are special taxes, not special assessments. A district's taxes need not, therefore, be apportioned on the basis of benefit to any property. It is pretty much up to the discretion of the CFD district board to determine a reasonable basis for the apportionment of the special tax.

The proposed fire prevention, emergency preparedness and fire safety/protection programs and projects included in the three different proposed alternatives can be legally financed through a Mello-Roos Community Facilities District.

Formation of a Mello-Roos Community Facilities District

- A local agency's legislative body may initiate proceedings to establish a Mello-Roos district on its own motion and must initiate proceedings on written request by two members of the legislative body, or on receipt of a petition signed by 10% of the registered voters residing within the district, or 10% of the landowners (based on land area rather than head count) within the proposed district.
- Formations of Mello-Roos Community Facilities Districts are not subject to LAFCo review or approval.
- A petition requesting establishment of a Mello-Roos district must:
 1. Request that the local agency initiate proceedings to establish the district;
 2. Describe the boundaries of the proposed district;
 3. State the types of facilities and services to be financed by the district.
- The petition must be filed with the clerk of the local agency's legislative body. A proceeding initiated by written request or petition must be accompanied by a fee that the legislative body determines is sufficient to cover the costs of conducting the Mello-Roos district formation proceedings.
- The local agency's legislative body must adopt a resolution of intention to establish a Mello-Roos district within 90 days after a written request or petition to create the district has been filed and all required filing fees have been paid. The resolution of intention must fix the time and place for a public hearing to establish the district. The clerk of the local agency's legislative body must publish a notice of the public hearing in a newspaper of general circulation in the area of the proposed district. The publication must take place 7 days before the public hearing.
- The public hearing must be held not less than 30 days, or more than 60 days after the adoption of the resolution of intention. This hearing is typically referred to as a "protest hearing." The protest hearing may be continued from time to time, as necessary, but must be completed within 30 days unless the legislative body finds that additional time is required because of the complexity of the proposed district or because of the need for public participation, in which case the protest hearing may be continued for a period not to exceed 6 months.

- At the conclusion of the hearing, the legislative body may abandon the proposed establishment of the Mello-Roos district, or may, after passing on all protests, decide to proceed with the establishment of the district.
- Written or oral protests may be made at the hearing by any interested person or taxpayer, but protests regarding irregularities or defects in the formation proceedings themselves must be made in writing and must clearly describe the irregularities or defects.
- If 50 percent or more of the registered voters (or six registered voters, whichever is more) residing within the territory proposed to be included in the district, or the owners of 50 per cent or more of the land proposed for inclusion in the district (and not exempt from the special tax), file written protests against establishing the district and the protests are not withdrawn or reduced to less than a majority, no further proceedings to create a Mello-Roos district or to authorize the specified tax may be undertaken for a period of 1 year from the date of the legislative body's decision.
- If the majority protest is limited to furnishing a specified type of facility or service, that facility or service must be eliminated. If the majority protest is against only levying a specified special tax, that special tax must be eliminated from the resolution to form the district.
- If the local agency's legislative body determines, at the conclusion of the public hearing that the proposed Mello-Roos district should be established, it must adopt a resolution of formation. The resolution of formation must contain all the information in the resolution of intention and must determine by a specific finding whether the proceedings were valid and in conformity with the Mello-Roos Act.
- Once a resolution of formation has been adopted by the local agency, the Mello-Roos district is established. The agency's legislative body must then submit the levy of any special taxes to the qualified electors of the proposed district at the next general election or in a special election to be held not less than 90 days, nor more than 180 days, following adoption of the resolution of formation. The election may be conducted by mail. The election by mail ballot must be accompanied by an impartial analysis, arguments and rebuttals, if any, and all supplies and instructions necessary for use and return of the ballot.
- If 12 or more persons have been registered to vote within the territory of the proposed district for each of the 90 days preceding the close of the protest hearing, the vote on a special tax levy must be by registered voters, on a one person-one vote basis. Otherwise, the vote is by owners of record of real property

within the district, as of the close of the protest hearing, and each owner has one vote per acre or portion of an acre. In a landowner election the number of votes to which each landowner is entitled must be specified on the owner's ballot.

- If the vote to approve a special tax is a landowner vote, the legislative body must make a determination that the facilities or services financed by the district are necessary to meet increased demands placed on local agencies as a result of development or rehabilitation occurring in the district.
- If two-thirds vote is cast in favor of the special tax levy in the election, the legislative body may levy a special tax at the rate and apportioned in the manner specified in the resolution of formation. The clerk of the legislative body must, within 15 days of a landowner election, or within 90 days of a registered voter election, record a notice of special tax lien in the office of the county recorder of the county in which the district is located.

Use of the Proceeds of the Special Tax

A special tax may be levied, and its proceeds used, only as long as it is needed to pay the principal and interest on debt incurred in order to construct facilities or to pay the costs and incidental expenses of services or construction of facilities authorized under the Mello-Roos Act.

Collection of the Special Tax

A special tax may be collected in the same manner as ad valorem property taxes are collected and the same procedure, sale, and lien priority in the case of delinquency as are ad valorem property taxes, unless the legislative body has adopted another procedure. Thus, Mello-Roos special taxes have a first, or co-equal, position with all other first-priority liens on real property within the district. The priority accorded Mello-Roos special tax liens is another advantage of using Mello-Roos financing rather than special assessment financing.

Real property owned by the federal, state or other local governments is exempt from Mello-Roos special taxes unless it was acquired by the public entity through a negotiated transaction or by gift or devise. If property that was originally subject to a special tax is acquired by a tax-exempt entity, the property remains subject to the tax.

Future Modifications to the District

The legislative body on its own initiative, or a petition by 25 % or more of the registered owners, or a petition by 25% or more of the owners of property within a district (excluding land that is exempt from the special tax obligation) may make start the process to modify the type of facilities or services or apportionment of special taxes. Ultimately, any such modification must be approved by two-thirds of the votes cast in an election conducted in essentially the same fashion as a vote on the imposition of a special tax.

Fixed Special Tax (with Possible Annual Inflator)

The formation of a Mello-Roos district allows for a capped per annual special tax rate, or per annual special tax rate with an inflator tied to an index (e.g. Consumer Price Index) or an inflator by a fixed percentage increase each year.

District Formation Costs

The costs that are involved in the formation of a Mello-Roos district include the following:

1. The required filing fee by the respective jurisdiction. For example, the Town of Paradise charges an initial filing fee of \$ 715.68. This adopted fee is the Town's processing fee for the formation of a Mello-Roos CFD within Town limits.
2. Contracted services of an expert in Mello-Roos district formation with specific responsibility for the required district engineering analysis, per parcel data collection and analysis, database development, and development of the tax structure formula - \$ 20,000

* *Please Note:* The cost for these services increases if bonds are to be sold, or the expert is to be involved in preparing the special tax levy

3. Contracted legal services which includes preparation of the legal documents required for the formation of a Mello-Roos district and preparation of the ballot language - \$ 20-25,000

* *Please Note:* The cost may increase if bonds are sold

4. The costs associated with conducting the district formation election will vary depending on whether the district formation election involves registered voters, and is tied to a special or regular election; or involves parcel owners and involves a mailed ballot election. Costs include the printing of ballots, as well as envelopes and postage if the election is by mailed ballot, counting of returned ballots, and certification of the election results, etc. Estimates might range from \$ 18,000 to \$ 30,000.

* *Please Note:* The cost of conducting the election for the formation of a Mello-Roos district is separate and distinct from the costs involved in conducting an actual campaign for the formation of the district.

Final Note: The costs involved in the formation of a Mello Roos district or districts may be a major hurdle to overcome when considering that neither Butte County, or the Town of Paradise, are presently in any position financially to assist with these costs. These costs might be recovered through the CFD if the formation of the CFD is successful.

District Facts (Applicable to both Plans A & B):

- The population in this proposed Mello-Roos district is estimated at 41,000-50,000
 - * *Please Note:* Population estimates presented in other reports for just the Ridge alone generally range from 40,000-50,000. Our research, which included a census tract-by-census tract analysis of the proposed district, indicates that these estimates might be high. There is, of course, the possibility that some of our population residing in this proposed district area are not being counted for one reason or another.
- The proposed district contains 20,055 parcels. Some of these parcels are tax-exempt. For purposes of this report, it is estimated that there are 19,000 taxable parcels
- The parcel breakdown (both taxable and tax exempt) per area within the proposed district is:

Town of Paradise – 11,455 parcels

Upper Ridge – 6,598 parcels

South Paradise unincorporated area – 1,127 parcels

Butte Creek Canyon – 875 parcels

- The proposed district is 148 sq. miles in size and encompasses 94,380 acres (based on our spatial GPS mapping)
- Residential - 18,603 parcels - 33,237 acres - 16.2 million sq.ft. - \$ 2.661 billion (land & improvements) (based on County Assessor's database)
- Commercial - 926 parcels - 1,343 acres - 1.39 million sq.ft. - \$ 305 million (land & improvements) (based on County Assessor's database)
- Industrial - 21 parcels - 79 acres - 90,828 sq.ft. - \$ 12.9 million (land & improvements) (based on County Assessor's database)
- Agricultural, unzoned - 307 parcels - 31,758 acres - 32,147 sq.ft. - \$ 20.4 million (land & improvements) (based on County Assessor's database)

** Please Note:* There appears to be a 27,965-acre discrepancy between what we identified as the size of this proposed district (94,380 acres) and what the County Assessor's database identifies as the acreage size of the proposed district (66,415 acres). If such a discrepancy actually exists, it might have implications on the number of taxable parcels, etc.

Proposed Plan A

Plan A will establish a Mello-Roos district as a financing vehicle to fund a number of long overdue, additional fire prevention and emergency preparedness improvements. This proposed plan contains no fire protection/suppression enhancements. The proposed district territory will include the Upper Ridge, Town of Paradise, South Paradise unincorporated area, and Butte Creek Canyon.

Specific Proposed Plan A Improvements

Fire Prevention Improvements (\$ 282,700 Total):

- Fire safety and prevention public information and education programs through the three fire safe councils (Butte County Fire Safe Council, Paradise Fire Safe Council & Upper Ridge Fire Safe Council) serving the proposed district area (based on an annual \$ 10,000 appropriation to each fire safe council) - \$ 30,000/yr
- Expansion of the chipper program through the Butte County Fire Safe Council – One (1) additional contracted 2-person chipper crew (to be used exclusively in the district during non-fire season) - \$ 100,000/yr

- Additional fire prevention staff – Butte County Fire Department (as specified by County Fire Chief)

Based on two (2) Fire Prevention/Firefighter I positions during each non- fire season (7 mos.) @ \$ 6,221/mo. (salary + benefits) per person - \$ 87,100/yr

* *Please Note:* Butte County Fire Department will provide its own vehicular equipment

- Additional fire prevention staff – Town of Paradise Community Safety Services Division (as specified by Town Fire Marshal)

Based on two (2) part-time (32-hour/wk per person) Fire Prevention Officers @ \$ 32,845 (salary + benefits) per person - \$ 65,600/yr

* *Please Note:* The Town of Paradise Community Safety Services Division will provide its own vehicular equipment

Emergency Preparedness Improvements (\$ 675,000 Total):

- Seasonal staffing of Sawmill & Bald Mountain Look-Out Towers during fire season - based on five (5) months @ \$ 8,000 per month for each look-out tower - \$ 80,000/yr

* *Please Note:* The district's annual financial staffing support of the two look-out towers during fire season should not be *in lieu* of Cal-Fire's funding responsibility for one or both towers, but rather as *supplemental* to Cal-Fire funding to ensure that both towers are fully staffed each and every fire season. Therefore, the district's funding support may be less than \$ 80,000/yr.

- Annual fuels reduction & maintenance improvements to ensure that those existing major routes that most likely will be utilized by an Incident Command and/or the County/Town EOC's are available to be used for directed emergency evacuations - \$ 30,000:

1. Lower Skyway (Paradise to Chico) – Trees limbed up to 15' and fuels reduced annually on both sides of Skyway in the public right-of-way - \$10,000/yr
2. Lower Clark Road (Paradise to Pentz/Durham, Chico or Oroville) – Trees limbed up to 15' and fuels reduced annually on both sides of Clark Road in the public right-of-way - \$ 10,000/yr

3. Lower Pentz Road (Paradise to Hwy 70, or to Oroville) – Trees limbed up to 15' and fuels reduced annually on both sides of Pentz Road in the public right-of-way - \$ 10,000/yr

* *Please Note:* After first several year's effort the annual cost could be reduced & the monies saved re-allocated to other fire prevention and emergency preparedness programs and projects identified below.

- Annual fuels reduction/maintenance, establishment and maintenance of evacuation safe havens, additional water resources for air suppression support, ongoing (on a rotational basis) road rehabilitation, improvements & maintenance (grading, re-grading, etc.) to existing local routes that can provide residents in this proposed district more options (at their own risk) as connector routes, or evacuation routes during major emergencies - \$ 380,000.

These local existing routes include but are not limited to Coultolenc to Skyway; Bader Mine (around the Dam); Doe Mill/Garland/Hwy 32; Jordan Hill Road; Bennett Road; and Centerville Road.

* *Please Note:* Some of this work will require access to private property and property owner permission

- Fuel reduction and maintenance projects (based on Cal-Fire standards) involving existing fuel breaks, the creation of additional, strategically located fuel breaks, and targeted fuel reduction improvement projects that go beyond fuel breaks to better protect sensitive areas and facilities throughout the proposed district – \$ 100,000.

* *Please Note:* If a sustainable level of effort is achieved with any of the proposed programs and projects identified above, and the costs of those programs or projects can be reduced, then the resulting cost savings should either be reflected in a reduced special tax to the district's parcel owners; or based on realities in the field reallocated to more cost-intensive district fire prevention and emergency preparedness programs and projects that were initially under-funded.

District Administrative Costs - \$87,300 total:

- Administrative costs include County Assessor's fees for annually putting the special tax on the tax bills, corrections to secured tax bills, collecting and disbursing the special tax proceeds to the District; contracted legal fees to develop all legal documents and contracts necessary in administering and operating the district, and provide legal counsel to the governing board; contracted project engineering costs; the annual independent audit; the annual report (mailed as well

as posted on the district website) to parcel owners within the district; and administrative/management support provided from the County and/or the Town, and miscellaneous expenses (website, materials & supplies, etc.) - \$ 87,300

Proposed Plan A Total Cost & Special Tax Rate:

The **total annual cost** for the fire prevention and emergency preparedness improvements proposed in the proposed district under **Plan A** is **\$ 1,045,000**. Based on an estimated 19,000 taxable parcels in the proposed district, the annual special tax rate per parcel owner under Plan A will be **\$ 55.00**.

District Governance

The policy making body for the Mello Roos district under Plans A & B can either be the entire Board of Supervisors, or the Paradise Town Council, if the other legislative body agrees, or a joint powers authority comprised of elected representatives from both legislative bodies. In a joint powers authority governing board, there can be equal numbers of elected officials from each jurisdiction, or a proportional number of elected officials based on the population of the two jurisdictions in the district.

The duties and responsibilities of the governing board will be to establish the various policies that govern the district, and that are in accordance with federal and state laws, the California Government Code, and the Mello Roos Act; to conduct all meetings in public and according to the Brown Act; to adopt an annual operating budget; to award all professional service and capital project contracts in accordance with State laws governing public noticing, bid and award of contract requirements; to ensure that an annual independent audit report is performed; and to issue an annual report to all parcel owners in the district territory on the activities, programs, projects and finances of the district.

District Oversight Committee:

There will be an oversight committee of citizens representing the district territory (proportionally based on the number of taxable parcels in each area that comprises the district) and two fire professionals (one representative from Butte County Fire Department & one representative from the Town of Paradise Fire Department) that meet on a quarterly basis to review the progress that the District is making with the fire prevention, emergency preparedness and/or fire protection/suppression improvements outlined under either Plans A or B. The Oversight Committee's independent review will be included in the annual district report to the district's parcel owners.

District Management:

One of the objectives from the outset has been to avoid the district having to hire and employ staff and personnel. All of the improvement programs and projects proposed in Plans A & B are either delegated and/or appropriated to existing organizations, or contracted to experienced professionals to implement and complete. However, there will still be the need for administrative, management, legal and financial oversight of district to prepare agendas for the district board meetings, to implement decisions of the district board, to prepare and submit an annual proposed budget, to ensure that the adopted district budget revenues and expenditures, as well as all district financial transactions are properly managed, tracked and accounted for according to Governmental Accounting Standards and the independent auditor's requirements; and to make sure that the terms and conditions of all district professional and capital projects contracts are performed accordingly.

Therefore, there will be a need for one, or two individuals, to provide administrative and fiscal management duties for the district. One idea, that was suggested as a way to avoid creating another separate bureaucracy, is for the Butte County Chief Administrative Officer (or their designee(s)), and the Paradise Town Manager (or their designee(s)), to serve jointly as the management team for the district, or the District Board designate one of them on a rotating basis to serve as the district manager. However, due to the personnel cutbacks and financial challenges that both agencies have experienced, the district will need to reimburse the County and/or Town for those management support service costs.

The contracted management support for the district would also provide staff support for the Oversight Committee where required.

Proposed Plan B

Plan B will establish a Mello-Roos district as a financing vehicle to fund a number of additional fire prevention, emergency preparedness and fire protection/suppression improvements. *The only difference between Plan A and Plan B is that Plan B includes fire protection/suppression improvements. As a result, the annual special rate per parcel is higher.*

The proposed district will include the same territory as Plan A. This district area includes the Upper Ridge, Town of Paradise, South Paradise unincorporated area, and Butte Creek Canyon. The same basic facts concerning the proposed district, as described in Plan A, also apply to Plan B.

The same fire prevention and emergency preparedness improvements that are proposed in Plan A are included in Plan B.

However, as noted above, Plan B also includes fire protection/suppression improvements.

Fire Protection/Suppression Improvements (\$ 358,584-total):

- Butte County Fire Department (as identified by the Butte County Fire Chief)

Three (3) Seasonal Fire Fighter I's

(Based on \$ 6,221/mo (salary & benefits) for 6 months coverage per firefighter) -
\$ 111, 978/yr

- Town of Paradise Fire Department

Three (3) full-time Fire Fighters (all year)

(Based on average of \$ 82,002 (salary & benefits) per firefighter per year) - \$
246,606/yr

Proposed Plan B Total Cost & Special Tax Rate:

The **total annual cost** for proposed fire prevention, emergency preparedness and fire protection/suppression improvements (and administrative costs as described in Plan A) in the proposed district under **Plan B** is **\$ 1,403,584**. Based on an estimated 19,000 taxable parcels in the proposed district territory, the annual special tax rate per parcel owner will be **\$ 74.00**.

Proposed Plan C

Plan C allows each individual area within the proposed district territory described in Plans A & B to form their own Mello-Roos districts as a financing vehicle to meet their area's more specific fire safety needs. Their individual districts could fund any combination of additional fire prevention, emergency preparedness and fire

protection/suppression improvements that they determine are needed for their respective areas.

For example, under Plan C, the Town of Paradise, on its own, could initiate the formation of a Mello-Roos district as a financing vehicle to fund major improvements in fire prevention, emergency preparedness and fire protection/suppression. Other areas outside the Town of Paradise, due to their being in the county might opt for just increased fire prevention and emergency preparedness measures (similar to what is proposed in Plan A for the larger Mello-Roos district).

While the Town's pursuit of the Plan C alternative will only require Paradise Town Council approval to get the Mello-Roos district process started, those citizens living in areas located in the unincorporated county areas outside of the Town will need to follow the Mello-Roos district formation process as outlined in this report with their respective legislative board, which is the County Board of Supervisors.

Town of Paradise Proposal (Under Plan C)

In the event that Butte County decides to pursue a different course other than is proposed in Alternatives A or B, or supports the efforts of areas within the County to pursue their own Mello-Roos Districts under Alternative C, then the Town of Paradise might consider forming its own Town-wide Mello-Roos Community Facilities District.

A possible Town of Paradise proposal under Plan C includes the following fire prevention, emergency management and fire protection/suppression improvements intended to reduce both the threat and risk of fire for Paradise residents, homeowners and businesses; as well as to enhance the overall public safety of our community. Some of these proposed public safety improvements will indirectly benefit residents and businesses located outside of the Town limits.

Fire Prevention Improvements (public education & information, assistance & enforcement) - \$ 73,100/yr total:

- Paradise Fire Safe Council sponsored fire safety and prevention public education and information programs for Paradise residents and businesses- \$ 7,500/yr
- Two (2) additional part-time (32-hour per week) Fire Prevention Officers (specializing in fuels management & defensible space) @ \$ 32,845 (salary & benefits each) = \$ 65,600/yr

Emergency Preparedness Improvements - \$ 230,000/yr total:

- Annual fuels reduction & maintenance improvements to ensure that those major routes that most likely will be utilized by an Incident Command and/or the County/Town EOC's are available to be used for directed emergency evacuations from Paradise (and the Upper Ridge) - \$ 30,000/yr
 1. Lower Skyway (Paradise to Chico)

Trees limbed up to 15' & reduction of fuels on both sides in the public right-of-way - \$ 10,000/yr
 2. Lower Clark Road (Paradise to Pentz/Durham, Chico, or Oroville)

Trees limbed up to 15' & reduction of fuels on both sides in the public right-of-way - \$ 10,000/yr
 3. Lower Pentz Road (Paradise to Hwy. 70 to Oroville)

Trees limbed up to 15' & reduction of fuels on both sides in the public right-of-way - \$ 10,000/yr
- Annual contribution towards fuels reduction and re-grading projects involving connector roads and routes in the Upper Ridge that both Town and Upper Ridge residents can use (at their own risk) during evacuations (e.g. Coultenenc to Skyway; Bader Mine (around the dam); Doe Mill Garland/Hwy 32; and Jordan Hill Road (based on Upper Ridge forming their own Mello-Roos district) - \$ 50,000/yr
- Annual fuels reduction & maintenance for existing Town fuel breaks; establishment & maintenance of additional Town fuel breaks; establishment & maintenance of evacuation safe havens and additional water resources for air suppression support; and targeted fuels reduction projects both within the Town (including Memorial Trail Way, internal connector roads, etc.), and on its western, southern, eastern and northern perimeters that further reduces the Town's overall vulnerability to the threat of fire- \$ 150,000/yr
- * *Please Note:* As stated before, if a sustainable level of effort is achieved with any of the programs or projects identified above, and the costs of those programs or projects can be reduced, then the resulting cost savings should be either reflected in a reduced special tax to Paradise property owners; or based on realities in the field reallocated to more cost- intensive district fire prevention and emergency preparedness programs and projects that were initially under-funded.

Fire Protection/Suppression Improvements -\$ 493,212 total:

- Six (6) additional full-time firefighters (all year) - \$ 493,212

Based on average \$ 82,202 (salary & benefits) per firefighter per year

District Administrative Costs - \$ 45,000/yr total:

The Town's Mello-Roos District administrative costs will cover very similar expenses as described for Plans A & B. However, some of the expenses will be less than Plan A & B because this proposed district is smaller and involves less parcels - \$ 45,000/yr

Governance & Management:

The Paradise Town Council will be the governing board for the Town's Mello-Roos district, and shall conduct all district board meetings in public. They will have similar policy-making duties and responsibilities as described in Plans A & B.

The district will be independently audited on an annual basis, and an annual district report on the district's finances, as well as funded activities, programs and projects shall be posted on the Town's website, and mailed to each parcel owner in the district.

The Town Manager, or their designees, will provide the district governing board with administrative, management, legal, financial, engineering and fire department operational support where applicable.

District Oversight Committee:

The district governing board will appoint five (5) citizens-at-large representing parcel owners residing in the Town district territory to serve on a district oversight committee. In addition, two representatives from the Paradise Fire Safe Council will also serve on the oversight committee. The committee shall meet quarterly to review the progress of district funded activities, programs and projects being made to improve fire prevention, emergency preparedness and fire protection/suppression in our community. The Committee's independent review will be included in the district's annual report to Paradise parcel owners.

Proposed Town Proposal (Under Plan C) Cost & Special Tax Rate:

The total annual cost for fire prevention, emergency preparedness and fire protection/suppression improvements in the Town of Paradise using a Mello-Roos district formation as the financing vehicle under **Plan C**, is \$ **841,312**. Based on an

estimated 11,200 taxable parcels in the Town's proposed district territory, the annual special tax rate per parcel owner will be **\$ 75.12**.

Additional Comments Concerning Evacuation Routes

While a Mello-Roos district allows for bond financing as a funding vehicle for more costly projects, the three alternative plans submitted in this report do not include bond financing or the debt retirement costs (expenses) that would be involved with bond financing.

Therefore, the three alternative plans rely solely on the annual generated proceeds from the special tax. Consequently, the amount of monies to work with is limited; and the programs and projects identified in the three plans are intended to be those programs and projects that reap more immediate, tangible public safety benefits to this area, and are more cost-effective, rather than cost-intensive.

As a result, there is no proposed supplemental funding appropriation for the Highway 171 route, or for the more cost-intensive road and bridge improvements that have been identified for other routes in other studies. This could be changed if bond financing was determined to be a preferable course.

However, the general rule of thumb (depending on a number of factors such as the term of the repayment of the bond, the bond rating, bond issuance costs, etc.) for public financing is that for every \$ 1 million dollars financed the annual debt service expense that the district will have to pay from its special tax proceeds will range from \$ 100,000-150,000 for an average twenty year period.

There is no question or debate that our area needs more viable emergency evacuation routes. However, the primary criteria that emergency managers look at in determining a viable evacuation route during an emergency is its carrying capacity, and its ability to accommodate the actual management of the evacuation route.

In other words, can the route move a sufficient number of vehicles out of harms way in a reasonable amount of time? Does the route have adequate enough areas along its route to allow for emergency vehicles such as ambulances and tow trucks to be stationed and to maneuver in order to reach evacuees who are in some sort of health distress situation, or to move stalled vehicles out of the way so that they do not delay the evacuation? Is the route, even with improved roads, so narrow and limited by terrain that a vehicle fire could turn into a death trap for evacuees? Are there areas along the route where safe haven staging areas can be established so that an evacuation along the entire length of the route may not be necessary?

Until now, most of the public discussion, as well as comparisons between various emergency evacuation routes have focused on distance, the present condition of the routes, the costs to improve them, the possible funding sources, or lack of them, etc. Yet, very little of the public discussion and evaluation to date has focused on these possible routes from an emergency management perspective.

What is needed is a thorough comparison between existing and possible emergency evacuation routes in terms of their moving capacity and the logistics that would be required in managing a directed evacuation from one route to another. Just as importantly, such a comparison needs to identify what resources (personnel, equipment, etc.) will be required, or even available, during a major emergency, from one route to another. This type of comparative analysis will really determine the worth of the various emergency evacuation routes, and better target where limited financial resources could be better allocated “to get the biggest bang for our buck” in times of an emergency.

Concluding Comments

Our area is the single highest populated fire risk area in Butte County. This high risk of fire threatens the lives, safety and security of over 50,000 people living in this area; as well as threatens our local business economy at a time when many of our local businesses cannot afford, or survive any more major disruptions.

With the experience of last fire season’s fires still vivid in many of our memories, the continuing drought conditions, and the reality of extended fire seasons, we cannot continue to take a business as usual approach, and hope that we just get by on a hope and prayer for another year.

While we can never completely eliminate our risk, vulnerability and susceptibility to fires, there are a number of cost-effective measures that we can employ that will greatly enhance our chances to reduce the threat of fire, and ultimately save the lives, homes, and businesses of our citizens in this area.

The three alternative plans presented in this final report may represent very different approaches, but their ultimate objective is the same – to significantly reduce our vulnerability to fires, and to improve the overall safety and security of our citizens.

The three alternative proposals are not intended to replace, or supplant what fire prevention, emergency preparedness, or fire protection/suppression services, programs and projects that are already in place through the outstanding full-time fire agencies and fire volunteer companies that serve this area; or the excellent work done by the fire safe councils that serve our area.

If we pursue any of the proposed alternatives, our communities will be much safer and far less vulnerable to the threat, risk and danger to fire than we are presently. The fact that this tremendous benefit of additional, cost-effective fire prevention, emergency preparedness and fire protection/suppression improvements can be achieved at relatively little annual cost to the individual property owner makes these alternative proposals not only more compelling, but entirely possible.

The biggest obstacle to overcome in terms of seeing any one of these alternative plans become a reality will not be the imperative need for making this area safer. There is plenty of physical evidence all around us as to how unsafe and vulnerable this area is to fire. Rather, it will be the costs involved in the formation of a Mello-Roos district (and resolving the question as to who pays those costs), and the idea of additional taxation at this challenging time for our property owners.

However, this special tax, unlike most taxes that we pay, is an example of a tax that will produce tangible, measurable results, improvements, and benefits to the residents, families, and businesses in this area.

It is also an opportunity for the various areas within the district proposed in Plans A or B to work together for a worthwhile common cause – improved public safety for our communities.

There has been some suggestions made by various folks that I have conferred with that there should be a sunset, or date certain that the Mello-Roos District ends as part of any special tax initiative. On the one hand, this will give voters the assurance that this special tax has a specified end to it after a number of public safety improvements are accomplished. . On the other hand, the nature of many of the proposed improvements is that they will require a continuing maintenance of effort to sustain those improvements over the long term. Certainly, this sunset issue is one that merits further discussion and consideration.

Finally, at the very least, it is an opportunity for the decision-makers to determine if the question of forming a district should be put on a ballot so that the parcel owner/voters in the proposed district can ultimately decide if they support such a measure, or not. This issue, and the public debate that it will generate, is the kind of healthy, constructive public discussion over the future safety and security of our communities that is long overdue.