

TO: Council Members
FROM: Jim Preston
SUBJECT: Life safety fund
DATE: February 21, 2008

Whenever a commercial property owner makes significant alterations to a building, and if it meets certain criteria, City code requires that a fire protection system be added which includes fire sprinkler and associated fire alarm equipment. This generally costs 30 to 50 thousand dollars. Many property owners do not have the funds available to cover this cost and will ask to be excused from this requirement. Authorizing a variance to this code could put the City at risk if an incident would happen. Staff proposes that we adopt a life-safety fund to assist property owners with this cost. Proposed process:

- Establish the fund utilizing \$500,000 from the SAB 28 fund
- The Fire Department will advise the property owner of the program
- The property owner may make a request in writing to the Mayor's Office
- An estimate on cost to install a sprinkler system must accompany the request
- The request can be for no more than 80% of the cost to install the sprinkler system
- The Mayor, Council President, Finance Officer or designee, City Attorney or designee and Fire Chief or designee will meet to review request
- A majority vote of this committee is required before any money is loaned
- Funds will not be loaned until work is completed and a copy of the invoice is received by the Finance Officer
- A 4% interest rate will be charged on the outstanding balance
- Require borrower to make semi annual payments on the loan amount (interest and equitable amount of the principal)
- Loans are to be for no more than 5 years
- The City will only accept a mortgage or a letter of credit as a guarantee that the loan will be repaid