

ORDINANCE NO. 5393

**AN ORDINANCE TO CREATE A LIFE SAFETY LOAN PROGRAM BY AMENDING
TITLE 3 OF THE RAPID CITY MUNICIPAL CODE.**

WHEREAS, the City of Rapid City has adopted the 2003 International Fire Code to protect the health, safety and well being of the community; and

WHEREAS, the 2003 International Fire Code requires fire suppression systems to be installed when significant changes are made to existing buildings; and

WHEREAS, the cost of adding fire suppression systems to existing buildings can be significant deterring property owners from upgrading existing buildings; and

WHEREAS, upgrading existing buildings enhances the community by providing safer, and more appealing locations for the expansion of economic activity; and

WHEREAS, the Common Council finds that it is in best interest of the community's health, safety, welfare and economic vitality to assist commercial property owners in financing the installation of fire suppression systems.

NOW THEREFORE BE IT ORDAINED by the City of Rapid City that Title 3 of the Rapid City Municipal Code is hereby amended by adding a new chapter as follows:

Chapter 26: Life Safety Loan Program

3.26.010 Establishment of Life Safety Loan Program.

There is established the Life Safety Loan Program to be used to assist property owners who remodel existing structures with the installation of fire suppression systems. Not more than five hundred thousand dollars from the SAB 28 fund shall be used to fund loans made under the Life Safety Loan Program.

3.26.020 Loan Criteria

A. The Finance Officer shall prepare a standard form Life Safety Loan Program application. The application shall require the applicant to provide sufficient information to allow the review committee and Council to make a determination as to the applicant's ability to repay the loan.

B. No loan shall be recommended by the committee nor approved by the Council for more than 80% of the actual cost of installing the fire suppression system.

C. All loans must be secured by either a mortgage or letter of credit in a form acceptable to the City Attorney. The Council must specifically approve any mortgage which is not first in priority.

D. The interest rate for the loan shall be four percent (4%).

E. The Term of the loan shall not exceed five years (5) and the payments shall be required at least semi annually, or more often if required by the Council.

3.26.020 Life Safety Loan Program request procedures.

A. The owner of a commercial property being remodeled may make written application on the form provided by the Finance Officer for a loan to fund the installation of fire suppression equipment. The request for a loan must contain a written estimate of the cost to install the fire suppression system.

B. Upon receipt of a request for a loan, a review committee consisting of the Mayor, Council President, Finance Officer or designee, City Attorney or designee and the Fire Official or designee shall meet to review the request. Upon completing its review, the review committee shall forward its recommendation to the Council.

C. Upon receiving the recommendation of the review committee, the Council may approve or reject the application for a loan. The Council may approve a loan for an amount that is less than requested by the applicant.

D. Nothing in the chapter shall require the approval of any loan. The decision whether to approve a loan shall be made on a case by case basis upon due consideration of all factors affecting the ability of the applicant to repay the loan as well as the overall purposes of the fund.

3.26.030 Life Safety Loan Program dispersements

A. Upon approval of a loan by the Council, the applicant must submit satisfactory documentation to the Finance Officer of the amount actually expended for the construction of the fire suppression system. No loan funds can be dispersed until satisfactory documentation has been received by the Finance Officer.

B. The Finance Officer shall report to the Common Council the status of the fund, outstanding balances owed, status of payments and balance of available funds. This report shall be given in writing to the Common Council at the second meeting in July of each year.

CITY OF RAPID CITY

ATTEST:

Mayor

Finance Officer

(SEAL)

First Reading:

Second Reading:

Published:

Effective:

Prepared By: CITY ATTORNEY'S OFFICE
