



CITY OF BEVERLY HILLS STAFF REPORT

Meeting Date: May 13, 2009

To: Honorable Mayor & City Council

From: Timothy J. Scranton, Fire Chief *G.B. for TJS*
Greg Barton, Fire Marshal

Subject: Proposed Fire Prevention Bureau Inspection Fees

Attachments: Proposed Fire Inspection Fee Schedule

INTRODUCTION

The Fire Department currently conducts Business Office and Retail Occupancy Inspections, Multifamily Residential Occupancy (3 or more units), and Brush Clearance Inspections for compliance with the California Fire Code and the Beverly Hills Municipal Code. These inspections have previously been conducted free-of-charge for the initial inspection and the first re-inspection. These inspections require thousands of hours of actual inspection time plus administrative support such as printing, mailing, and filing that are a definable cost to the Fire Department. Based on the Fee Study that was conducted on April, 2007 the City has the right to achieve full cost recovery from the fees charged for these Fire Department inspections, that approximately totals over \$1.2 million.

DISCUSSION

The Fire Department must annually inspect all businesses, multifamily residences, and properties located in the Very High Fire Hazard Severity Zone to ensure compliance with the life-safety standards set by the California State Fire Marshal and the California Building Standards Commission. In addition, the California Health and Safety Code, Section 13146.2(a) requires the City to inspect multi-family residential structures on an annual basis. The initial and first re-inspections of each one of the three different types of properties have historically been done free-of-charge. The property owner or its business owner does not have any cost, until a violation is cited and remains uncorrected at the time of the re-inspection. If a Fire Code Violation is not corrected, then the current non-compliance fees get assessed.

These fees are not imposed for general revenue generation purposes. Instead, they are introduced as a cost recovery mechanism to recoup the actual staffing, overhead, and administrative costs of providing each service. Three of the fees included in the study were: Vegetation Management Program (Brush) Inspections, Business (Office and

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Retail) Engine Company Inspections, and Multi-family Residence Engine Company Inspections.

Currently, the Fire Department conducts the following inspections to ensure compliance with the California Fire Code and the Beverly Hills Municipal Code:

- 1,505 Brush Inspections in the Very High Fire Hazard Severity Zone
- 2,223 Office/Business Inspections
- 1,372 Multifamily Residential (MFR) Occupancy (3 or more units) Inspections

According to the Fee Study, the maximum allowable amount (including Consumer Price Index (CPI) adjustments), that the Fire Department could recover is conservatively estimated at approximately \$1,201,666. The Fire Department is proposing that this service now be provided on a fee for service basis. This practice for Multifamily Residential and Office/Business Inspections is common in many cities including such cities as Culver City Fire Department, Santa Monica Fire Department, Newport Beach Fire Department, Huntington Beach Fire Department, Oakland Fire Department, San Miguel Fire Department, Santa Rosa Fire Department, Grover Beach Fire Department, and San Mateo Fire Department. The following summarizes the main features of the new elements of the fee structure.

Initial Inspection and First Re-inspection

(See Attached Fee Schedule for a complete breakdown of each inspection based on occupancy type, square footage, and/or number of units)

Inspection Type	Fee Study April 2007	Adjusted by 5.3%* July 1, 2009	Number of Inspections	Projected Revenue/Per year
Vegetation Management Inspection fee	\$363.99	\$383.28	1,505	\$576,836
Office Business (over 3,000 sq.ft.) & Retail Occupancy Engine Co. Inspections	\$109.82	\$115.64 (Min. Amount)	4,500 **	\$520,380
MFR Engine Co. Inspection (3 residential units or more)	\$72.30	\$76.13 (Min. Amount)	1,372	\$104,450
Total New Revenue				\$1,201,666

*Fees and Charges have been increased 4.2% + 1.1% since April 2007

**Preliminary estimate of roughly 4,500 more inspections replaces the current "Office/Business" number of inspections of 2,223. (We are currently changing inspections from property address to business licenses.)

FISCAL IMPACT

The potential increase in cost recovery revenues, for services provided by the Fire Department to the City of Beverly Hills, runs approximately \$1.2 million.

RECOMMENDATION

Staff recommends that, during the Formal Meeting, the City Council adopt the newly-proposed Fire Prevention Bureau Fees in the current fee structure. The Fire Department is prepared to discuss any changes or alternative recommendations the Council may direct.

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Timothy J. Scranton, Fire Chief

Approved By

Proposed Fire Inspection fees

ATTACHMENT

2008/09 2009/10 2009/10
RATE **NEW RATE** **STAFF SUGGESTED**

REFERENCE **TYPE OF FEE OR CHARGE**

REFERENCE	TYPE OF FEE OR CHARGE	2008/09 RATE	2009/10 NEW RATE	2009/10 STAFF SUGGESTED
07-R-12338	Business Office Occupancy Engine Company Inspection	No Charge	No Charge	No Charge
	Initial Inspection (First Reinspection included)			No Charge
	0 - 3,000 sf			115.64
	3,001 - 10,000 sf			183.81
	10,001 - 20,000 sf			251.98
	Over 20,001 sf			73.70
	Non-Compliance after 2nd Inspection	72.90	73.70	
	Non-Compliance after 3rd Inspection	156.30	158.00	
	Non-Compliance after 4th and subsequent Inspections	234.50	237.10	
07-R-12338	Retail Occupancy Engine Company Inspection	No Charge	No Charge	No Charge
	Initial Inspection (First Reinspection included)			No Charge
	0 - 3,000 sf			115.64
	3,001 - 10,000 sf			183.81
	10,001 - 20,000 sf			251.98
	Over 20,001			320.15
	Non-Compliance after 2nd Inspection	72.90	73.70	
	Non-Compliance after 3rd Inspection	156.30	158.00	
	Non-Compliance after 4th and subsequent Inspections	234.50	237.10	
07-R-12338	Multi Family Res. (MFR) Engine Company Inspection	No Charge	No Charge	No Charge
	Initial Inspection (First Reinspection included)			No Charge
	3 to 10 Units			76.13
	11 to 40 Units			129.82
	41 to 70 Units			183.50
	Over 71 Units			237.19
	Non-Compliance after 2nd Inspection	72.90	73.70	
	Non-Compliance after 3rd Inspection	156.30	158.00	
	Non-Compliance after 4th and subsequent Inspections	234.50	237.10	
	Vegetation Management Program			
	Initial Inspection (First Reinspection included)	No Charge	No Charge	No Charge
	Non-Compliance after 2nd Inspection	463.70	468.80	383.28
	Non-Compliance after 3rd Inspection	625.20	632.10	
	Non-Compliance after 4th and subsequent Inspections	833.60	842.80	
	Lot clearing by City staff	Actual Cost	Actual Cost	Actual Cost