



City of Bellevue
Fire Department

Jay Hagen, Fire Chief

Bellevue Fire Department

DATE: November 13, 2018

TO: Mayor Chelminiak and City Councilmembers

FROM: Jay Hagen, Fire Chief and Ken Carlson, Fire Marshal

SUBJECT: Fire Inspection Cost Recovery

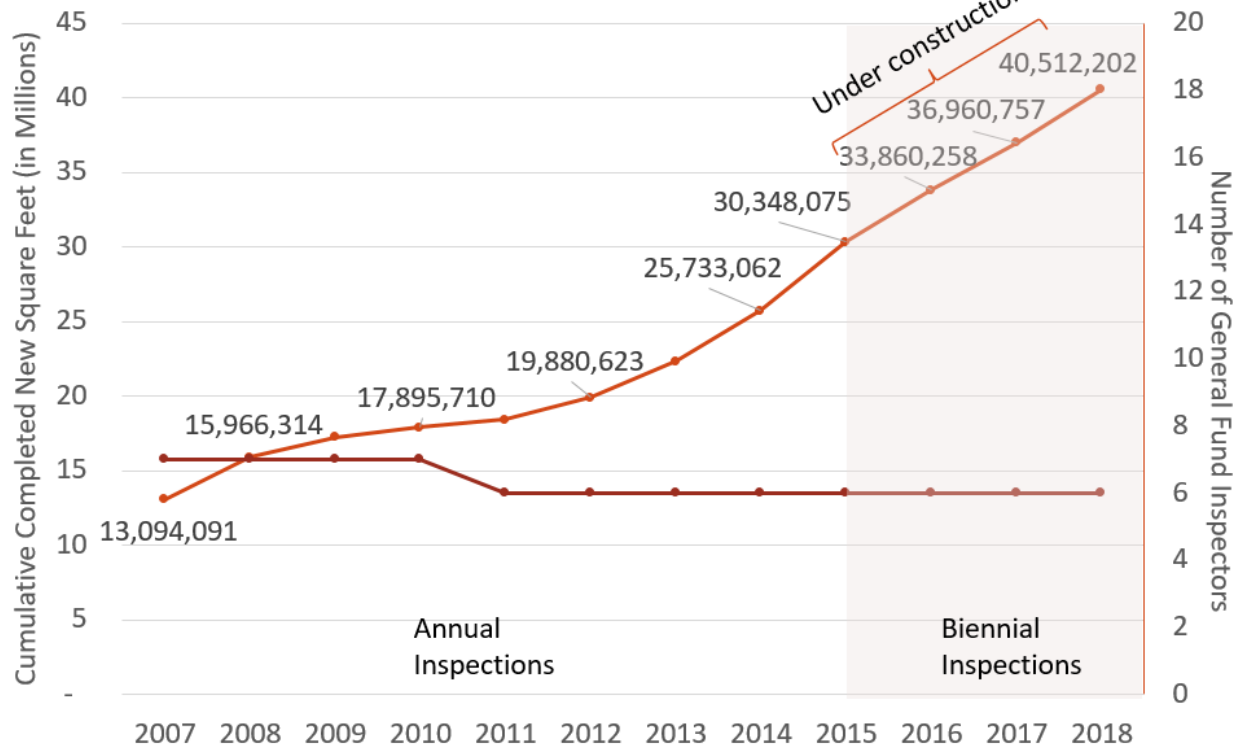
To keep pace with rapidly increasing commercial space, ensure a favorable fire insurance rating for business and commercial enterprises, continue steps toward fiscal sustainability, and apply the successes of the business model of development services inspections, this 2019-2020 Proposed Budget includes a fee structure that would recover the cost of annual and every other year fire safety inspections of commercial and multi-family spaces.

The purpose of recurring fire safety inspections is to provide an opportunity to identify and limit potential fire and/or life-safety hazards. Inspections in Bellevue align with industry best practices and offer assurance to building occupants, building owners and managers, and insurers.

In the past decade, in order to adapt to the significant addition of commercial spaces in Bellevue, the fire safety inspection team has repeatedly reprioritized inspections by need, resulting in some newer buildings receiving less frequent inspections. However, the growing amount of new buildings in Bellevue is already testing the limits of prioritization and raises the need for more resources. Currently, inspections are scheduled every year for multi-family buildings lacking a fire alarm or fire sprinkler system and are scheduled every other year to inspect all the remainder of existing and new development.

Two additional Fire Prevention Officers are included in the 2019-2020 Proposed Budget for the Fire Prevention Division. The addition of the two officers will make a total of eight full-time inspectors that not only could sustain the current service level but also anticipate the known new development that is under construction. Please note the following graph that highlights the growth over time in commercial spaces and compares it to the fire safety inspection staffing. The shaded area to the right indicates new space that is under construction.

2007-2018 Completed New Square Feet vs General Fund Fire Inspection Positions



Inspectors work within the Fire Prevention Division of the Fire Department. The City of Bellevue uses a cost-recovery model for inspections such as transportation, utilities, building code, and the initial fire code inspection for the certificate of occupancy. However, the only inspection without cost recovery is the fire safety inspection of occupied commercial and multi-family buildings. This proposal applies the Development Services business model of a user fee beginning January 1, 2020. The financial objectives of the model are based on the following:

- Regional competitiveness
- Be predictable and understandable
- Support of citywide cost recovery objectives
- Fair price for the service provided

The proposed fee calculation is comprised of a base rate (\$180), a square footage factor (0 – 6), and a building occupancy classification (1 – 3). The calculation would result in a range of no charge for exempt entities, Government agencies, non-profits and businesses less than 1,000 square feet, to \$3,240.

Sample Inspection Fees

<u>Entity</u>	<u>Square Footage</u>	<u>2 year Fee</u>	<u>Comments</u>
Church	10,000	\$1080	Exempt (non-profit)
Doctor's Office	500	\$0	Exempt – less than 1,000 s.f.
High-Rise Office Building	150,000	\$3,240	—
Bakery	2,145	\$540	
Retail Store	2,800	\$180	
Mini-City Hall	1,500	\$180	Exempt (Government Agency)

In single tenant buildings, the occupant would be responsible for the fee payment. In a multi-tenant building, the building owner would be responsible for the common areas and each tenant for their areas. In residential buildings, only the common areas are inspected, and the fees would be based on those common areas. Fees would only be required per inspection frequency and not on any calendar cycle.

Just as Development Services regularly reviews the appropriateness of fee structures, this proposal would use similar principles going forward to assure that core staffing levels are balanced, internal cost of service is efficient, service levels are sustained, quality of inspection meets industry best practices, revenues are adequate to support the operation.