

Action Item \_\_\_\_\_  
Information Only   X  

## **BUSINESS ITEM 2**

### Proposed Sprinkler Incentives

#### **Issue/Background:**

In 2009, City Council approved Ordinance 1048-09, providing for incentives to install fire sprinkler systems in qualified structures. The goal was to encourage the addition of sprinkler systems in new or expanded (or remodeled) buildings under a 12,000 square foot threshold. To my knowledge, we have only awarded this incentive once, in 2010 for a new 5,000 square foot building at Skydive City.

The ordinance provides the applicant a waiver of building and fire permit fees as well as a one-year waiver of *city* ad valorem (property tax) fees. I would estimate a total incentive of about \$3,000 to \$4,000 for this property, if approved. It includes property taxes of about \$1,800, and building and fire review/permit fees of \$1,000 to \$1,500 or so.

The applicants are Al Biston and Jodie Biston, owners of the former bank building at 38421 5<sup>th</sup> Avenue (on the corner of 7th Street, 38421 5<sup>th</sup> Avenue). They are in the process of remodeling the building to open a lounge on the property.

Due to its planned use, sprinklers are required. That portion of the remodeling will add an estimated \$50,000 to \$70,000 in cost. Due to its downtown location, transportation impact fees are not required but utility impact fees will be required, depending on a formula that will take into account the bank “rate” versus the “lounge” rates/usage. For example, a bank typically will not have as many sinks, restrooms, etc. as a lounge will so the additional fixtures will count towards increased impacts, and as a result, additional fees. Mr. Biston has water connection fee credits for a line installed in 2015ar along Tucker Road (he provided an easement) that we will bring back to you for authorization later as well. We had agreed at that time that those credits be applied on any property he owns in the city.

#### **Attachments:**

Ordinance 1048-09 – Sprinkler System incentives

#### **Staff Recommendation:**

I recommend we move forward with the incentive request and that the reimbursement of expenses as outlined be approved at the completion of the installation of the sprinkler system.

## ORDINANCE NO. 1048-09

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ZEPHYRHILLS, FLORIDA, PROVIDING FOR AN INCENTIVE PROGRAM FOR THE INSTALLATION OF AUTOMATIC FIRE SPRINKLER SYSTEMS WITHIN QUALIFIED STRUCTURES WITHIN THE CITY LIMITS TO ENCOURAGE THE SPRINKLING OF BUILDINGS AND PROVIDING FOR PHYSICAL SAFETY AND PROTECTION OF PROPERTY; PROVIDING FOR QUALIFICATION CRITERIA; PROVIDING FOR APPLICATION PROCEDURES; PROVIDING FOR SPECIFIC INCENTIVES; PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.**

WHEREAS, the City Council of the City of Zephyrhills, Florida, sitting in regular meeting is desirous of providing incentives to encourage local businesses to install automatic fire sprinkler systems within their new structures and to assist businesses required to comply with current National Fire Protection Association (NFPA) Codes by installing an automatic fire sprinkler system in a building structure in order to contribute to the economic growth of the city and to ensure the safety of its residents and protect private property; and

WHEREAS, the City Council of the City of Zephyrhills has given priority to the need to plan for an incentive package to further the goal of increasing the number of structures, located within the city, protected by automatic fire sprinkler systems; and

NOW THEREFORE, BE IT ORDAINED, by the City Council of the City of Zephyrhills, as follows:

### SECTION 1 – CRITERIA FOR AUTOMATIC FIRE SPRINKLER INCENTIVES

The City Council of the City of Zephyrhills is hereby authorized to provide incentives for businesses installing automatic fire sprinkler systems in structures in which the City Council of the City of Zephyrhills determines meets the following criteria:

1. The subject property must be non-residential in character
2. The business must serve a public purpose by advancing the economic prosperity and general welfare of the people with consideration to the overall environment of the City;
3. The proposed business activity is anticipated to generate more in city revenues than it consumes in city services;
4. The business is appropriate to the needs and circumstances of and will make a significant contribution to the economic growth of the City and
5. Specific Minimum Qualification Criteria for: new business: building must be less in size than 12,000 square feet; and for expansion of an existing building: the total square footage shall be no larger than 12,000 square feet.

### SECTION 2 – APPLICATION FOR AUTOMATIC FIRE SPRINKLER INCENTIVES

The City Council of the City of Zephyrhills hereby authorizes that application be made to the Building Department to be reviewed by the staff of Zephyrhills Fire Rescue and the Building Department who shall administer the automatic fire sprinkler incentive program with the following stipulations:

- Company profile and background
- Function of the firm
- Location of project
- Total acreage of site
- Total square footage of building
- Total number of full time employees
- Number of employees to be added with addition to structure
- Annual city ad valorem tax bill
- Estimated city utility usage
- Estimated city impact fees.

Following review by staff, the Building Official shall make a recommendation within four (4) weeks to the City Council. Final approval shall rest with City Council.

SECTION 3 – INCENTIVES:

In the sole discretion of the City Council of the City of Zephyrhills those developments qualifying in Section I, above, and submitting an application for Automatic Fire Sprinkler Incentive Award for staff review, the following incentive mechanisms may be made available, singly or packaged, by the terms of this ordinance:

1. Building Department Permit Fees:
  - Building, Electrical, Plumbing and Mechanical fees
  - Public Safety (Fire only) Impact fees
2. Fire Department permit fee costs:
  - Plan review, automatic fire sprinkler plan review, fire alarm review and underground review
  - Automatic fire sprinkler, fire alarm, underground and pressure test permits
  - Automatic fire sprinkler pressure test, automatic fire sprinkler acceptance test, fire alarm acceptance test
3. City property (ad valorem) taxes – not to exceed \$3,000 per property per annum. The ad valorem tax waiver shall be valid for only one year. Collective incentives not to exceed \$30,000 per year in a total of awarded projects.

SECTION 4 – CONTRACT REQUIREMENTS

Once an incentive package/program has been approved, the City Council of the City of Zephyrhills will authorize the City Attorney to draft a legally enforceable contract setting out the incentive or incentive package; specific performance criteria based on investment, size of building, public recourse for non-performance, annual monitoring mechanisms and penalties that will be used and enforced should the business fail to meet its requirements. Improvements shall be constructed with a certificate of occupancy issued prior to disbursement/reimbursement/waiver of fees and/or taxes.

SECTION 5 – SEVERABILITY

If any one or more of the provisions of this Ordinance should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such provisions shall be null and void and shall be deemed severable from the remaining provisions of this Ordinance and in no way shall affect the validity of all other provisions of this Ordinance.

SECTION 6 - REPEALER

Upon the effective date of this Ordinance, any other ordinances or resolutions in conflict herewith are hereby repealed in their entirety.

SECTION 7. EFFECTIVE DATE

This Ordinance shall become effective immediately upon passage on the second reading and signing by the Mayor.

The foregoing Ordinance No. 1048-09 was read and passed on the first reading in an open and regular meeting of the City Council of the City of Zephyrhills, Florida, on this 23<sup>rd</sup> day of November, 2009.

Attest:

\_\_\_\_\_  
Linda D. Boan, City Clerk

\_\_\_\_\_  
Jodi Wilkeson, Council President

The foregoing Ordinance No. 1048-09 was read and passed on the second reading, following a public hearing, in an open and regular meeting of the City Council of the City of Zephyrhills, Florida, on this 14<sup>th</sup> day of December, 2009.

Attest: \_\_\_\_\_  
Linda D. Boan, City Clerk

\_\_\_\_\_  
Jodi Wilkeson, Council President

The foregoing Ordinance No. 1048-09 was approved by me this 14<sup>th</sup> day of December, 2009.

\_\_\_\_\_  
W. Cliff McDuffie, Mayor

Approved as to legal form and legal content  
for the reliance of the City of Zephyrhills only:

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Joseph A. Poblick, City Attorney