



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 3.

Agenda Date: 1/23/2018

In Control: Public Safety Committee

DEPARTMENT: SAFD

DEPARTMENT HEAD: Charles N. Hood

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Public Safety Committee: High-rise Inspection Program Briefing Follow-up

SUMMARY:

In November of 2017, the San Antonio Fire Department briefed the City Council Public Safety Committee on the progress of the high-rise inspection program and the stage of compliance for the buildings required to perform a fire sprinkler retrofit. Committee members requested additional information regarding the stakeholder process and how the 12 year compliance timeline was developed. This memo serves as a follow-up to the high-rise program briefing and will address the committee's questions.

BACKGROUND INFORMATION:

In February 2015, the (SAFD) requested approval of the Public Safety Committee to establish a stakeholder group to study the feasibility of a retroactive fire sprinkler requirement for high-rise buildings following the tragic events at the Wedgewood Apartments in Castle Hills. The stakeholder group met 5 times and included the San Antonio Housing Authority, the San Antonio Apartment Association, representatives from the Building Owner and Manager's Association, insurance industry representatives, sprinkler contractor representatives, various fire protection engineers, condominium owner's groups, and others. The ordinance was approved, effective January 2016, and an inspection program was established along with a compliance schedule for the fire sprinkler retrofit. The compliance schedule includes a 12 year timeline as recommended by the International Code Council for full installation of the fire sprinkler system. The 12 year timeline also coincides with the timeline passed in HB 3089 for retroactive fire sprinklers in specific elderly and mobility impaired residential high-rises. A letter of intent is required one year from the date of adoption, a compliance plan

submitted within three years, a water supply established within six years, half of the building sprinklered within nine years and full compliance within twelve years. Thirty five buildings are affected by the ordinance with all now having complied with the first phase by submitting letters of intent. Each will have until January of 2019 to submit a compliance plan. At the time these high-rises were built and granted certificates of occupancy, they were, and still are, considered code compliant.

ISSUE:

Stakeholders had issue with the high cost of fire sprinkler retrofitting and how disruptive construction projects are to business operations and daily life. Time to comply with the ordinance would allow owners to raise and budget the funds for the project while allowing portions of the building to be retrofit a section at a time. This phasing plan reduces the impact on business operations necessary to raise capital for the project itself. The stakeholder group compared fire sprinkler retrofit ordinances from other jurisdictions. Successful programs in Chicago and Houston provided similar time schedules for completion. Building owners and managers, although opposed to retrofits in general, requested that any proposals include similar timelines for completion.

During the stakeholder process, there were limited fiscal incentives to the retrofit other than reductions in insurance rates for owners. The Tax Code and Jobs Act recently passed provides an incentive for buildings required to retrofit by allowing businesses to fully expense the improvements over five years. These provisions originally proposed in the Fire Sprinkler Incentive Act 14 years ago, allow greater tax deductions right after the improvements are made versus depreciating them. Small businesses can fully expense installations of sprinklers up to a cap of \$1 million in each year of the expense.

The San Antonio Housing Authority (SAHA) committed to having the upgrades performed in their 3 affected facilities within 6 years. SAHA reported that they were adjusting maintenance funding to accelerate the upgrade process. SAHA utilizes different funding sources than buildings privately owned with retrofits coinciding with planned upgrades to their buildings while vacant. SAHA has relocation options for residents where private owners of both commercial and residential properties are more limited.

The 35 buildings identified are complying with the ordinance. The owners have approximately one year to submit their compliance plans to the SAFD Office of the Fire Marshal as part of the next phase. Any alterations to the Council approved timelines provided in the ordinance should require reconvening all affected parties to establish a new stakeholder process.

ALTERNATIVES:

None. Briefing only.

RECOMMENDATION:

Staff recommends not making in any changes to the current ordinance, continue to remain vigilant over life safety issues at high rise buildings, and work with stakeholders to ensure local business are aware of the recent tax code change, which would allow for greater tax deductions for retrofitting a businesses with a sprinkler system.

