



Staff Report

TO: Mayor, and City Council Members
FROM: Todd Parton, City Manager
DATE: March 3, 2020
SUBJECT: Update Regarding the West Side Fire Station Construction Project and Cal Fire Presentation Regarding Community Fire Hazard

Background and Analysis:

At its meeting of August 15, 2017, the City Council identified the construction of the West Side Fire Station as a top priority and placed its design and construction on the 5-Year Capital Improvements Plan (CIP). The CIP scheduled design to commence in FY2018/2019 with construction to commence in FY2019/2020.

On October 3, 2017, City Council voted to acquire property on the east side of Potrero Road, between San Timoteo Road and SR-60. A total of 4.093 acres was acquired and programmed to house the West Side Fire Station and a new central police station. Approximately two additional acres have been added to the City's property to ensure adequate room for both public safety uses.

Below are key dates and actions pertaining specifically to the West Side Fire Station. It is important to note that the City's fiscal year runs from July 1 to June 30 and budgetary allocations listed below contemplate the commitment/expenditure of funds within this time period for each year.

1. **City Council Meeting of May 2, 2017 – City Enters into MOU to Secure Land**
 - a. City Council Approved an MOU with Trinity Partners, LLC
 - b. Landowner Agreed to the Donation of Land Along Potrero Road for the Construction of a Fire Station and Police Station

2. **City Council Meeting of August 15, 2017 – West Side Fire Station Established as a Project**
 - a. City Council Approved the City's First Ever CIP that Included the West Side Fire Station as a Project
 - b. CIP Allocated \$500,000 for Construction in FY18/19

- c. CIP Allocated \$3,500,000 for Construction in FY19/20
3. **City Council Meeting of October 3, 2017 – Land Acquisition**
 - a. City Council Authorized the Mayor to Execute a Grant Deed for 4.093 Acres
 - b. Property to be Used for the West Side Fire Station and a Future Police Station
 - c. City Council Authorized City Staff to Initiate a Request for Proposal Process (RFP) for Architectural and Engineering Services for the West Side Fire Station
 4. **City Council Meeting of May 15, 2018 – Design Contract awarded for Architectural and Engineering Services**
 - a. City Council Awarded a Contract to Claremont Environmental Design Group (CEDG)
 - b. Contract was for an Amount Not to Exceed \$209,160
 5. **City Council Meeting of June 19, 2018 – Fire Services Expanded**
 - a. LOI between Riverside County and City of Beaumont Approved
 - b. Expands City Fire Protection Services by Adding a Paramedic Squad
 - c. Paramedic Squad to be Converted to Full Engine Company and Housed in New West Side Fire Station
 6. **City Council Workshop of September 26, 2018 – City Council Affirms the Construction of the West Side Fire Station as a Top Priority**
 7. **City Council Meeting of August 20, 2019 – City Staff Provides Update on West Side Fire Station Project**
 - a. Report that Conceptual Design was 95% Complete
 - b. Reported that Conceptual Design was to be Presented to City Council on September 3, 2019
 8. **City Council Meeting of September 3, 2019 – Conceptual Design Accepted/Approved**
 - a. Conceptual Plan Accepted
 - b. City Council Authorized Completion of Final Design Documents (Bid Documents)
 9. **Construction Timeline – Scheduled Start of Construction is September 2020**

- a. Advertise for Bids – June 15 to July 31
- b. Award Bid – City Council Meeting of August 18, 2020
- c. Construction Schedule – September 2020 to September 2021

Construction estimates for the new fire station have been by CEDG. They estimate that construction will cost \$6.8 million to construct, excluding off-site utility, off-site roadway, and environmental remediation costs. City staff estimates the off-site and environmental remediation costs will add an additional \$2 to \$3 million. A balance of approximately \$4.8 million is available in the project funds for the on-site and off-site construction. Consequently, the City Council will need to amend the CIP to allocate another \$4 to \$5 million to the project. These additional funds are available and will come from the City's General Fund unobligated reserve balance and the City Council will be scheduled to amend the CIP by June 2020.

A recent question has arisen as to the impact that the construction of the station might have on insurability and insurance premiums for homeowners who are within proximity to the station. It is very difficult to quantify the degree to which the construction of the station will impact insurability and insurance premiums. There is not a universal methodology used by insurance providers to set rates. Each implements a unique system to evaluate risk and set premiums. This has been confirmed by City staff through discussions with members of the insurance industry, a literature review, review of information provided on the California Department of Insurance (CDI) website, and a review of fire hazard maps generated through Cal Fire and the California Public Utilities Commission.

Due California's increasing trends in property loss over the past several years, increasing numbers of homeowners across the state are experiencing insurer-initiated non-renewals and significant increases in premiums. The CDI has produced a fact sheet that documents the recent trends. Attached is a copy of the fact sheet titled, "FACT SHEET: Impact of Wildfires on Insurance Non-Renewals and Availability."

Due to the hardships to homeowners caused by the insurer actions, the State passed Senate Bill 824 that established a mandatory moratorium on non-renewals due to wildfires. This moratorium was announced by California Insurance Commissioner Ricardo Lara via a bulletin issued on December 18, 2019. The moratorium prohibits the non-renewal of insurance policies for one year after the declaration of a State emergency by the Governor and currently applies to specific zip codes throughout the State. Attached is a copy of this bulletin title, "Bulletin Pursuant to Insurance Code Section 675.1(b)."

The CDI has also documented the trend of non-renewals in moderate to very high fire risk zip codes. Their data compares recent trends in the California Fair Plan, surplus lines, and the voluntary insurance market. A copy of this comparative table is attached to this report.

CDI has documented the recent trends in the California insurance market and the State legislature has taken steps to help mitigate the immediate impacts on homeowners. Unfortunately, this data also confirms that the insurance challenges that some Beaumont homeowners have experienced are not unique this area or region.

Many insurance providers doing business in California utilize the fire hazard severity zones established by the California Department of Forestry and Cal Fire's Fire and Resource Assessment Program (FRAP) to determine wildfire risk. FRAP maps are created state-wide and show fire hazard severity zones. Fire Captain Marcus Hernandez of Cal Fire is scheduled to present the FRAP and discuss its implications for the City of Beaumont. A copy of his presentation is attached to this report.

In 2019, the City Council contracted with Cal Fire to increase fire services in order to keep pace with the City's growth. A paramedic squad has been added to the City of Beaumont and was fully staffed in January 2019. This squad will be converted to a full engine company and will be housed in the West Side Fire Station.

With the implementation of the paramedic squad, Cal Fire has been able to maintain a consistent and high level of service in the face of increasing service calls. Beginning in May 2019, Cal Fire began providing monthly emergency response statistics to City staff. During that period, monthly calls for service ranged from a low of 161 to a high of 508 with average monthly response times ranging from 4.3 to 5.5 minutes. On average Beaumont experiences 367 monthly calls and 4.8-minute average response times. Attached is a table that shows monthly fire statistics from May 1, 2019, to January 31, 2020.

Fiscal Impact:

City staff estimates that it costs approximately \$1,650 to prepare this report.

Recommended Action:

This is a City staff update and no action is requested at this time.

Attachments:

- A. Fact Sheet: Impact of Wildfire on Insurance Non-Renewals and Availability
- B. Bulleting Pursuant to Insurance Code Section 675.1(b)
- C. California Department of Insurance – Number of New, Renewed, and Non-Renewed Residential Dwelling Policies in Moderate to Very High Fire Risk ZIP Codes
- D. Presentation – Very High Fire Hazard Severity Zone Maps
- E. City of Beaumont, Monthly Fire Service Statistics – May 1, 2019 through January 31, 2020

**Location Map
West Side Fire Station**

