

Clark County, Nevada
Business Impact Statement

The following Business Impact Statement was prepared pursuant to Nevada Revised Statutes (NRS) 237.080 and 237.090 to address the proposed impact of adopting amendment Title 13, Chapter 13.04 of the Clark County Code that modifies the requirements of residential fire sprinklers by removing the 5,000 square feet threshold; removing the requirement to upgrade to NFPA 13R sprinkler system; amending the protection matrix to indicate requirements for non-standard residential sprinkler systems, adding requirement to install sprinklers in ceilings greater than 24 feet; amending the civil improvement plan appendix; increasing the maximum length of street to 600 feet; and providing for other matters related thereto as follows:

- 13.04.090 - Modify requirement for upgraded sprinkler system.
- 13.04.115 - Delete the requirement that living space exceeds 5,000 square feet
- 13.04.330 - Delete Section 22.38 of NFPA 13
- 13.04.340 - Delete and replace Section 8.4 of NFPA 13D
- 13.04.340 - Add Where Required and exceptions
- 13.04.340 - Add sprinkler requirements based on ceiling height
- 13.04.340 - Add Required System Pressure and exception
- 13.04.350 - Delete Section 7.5 of NFPA 13R
- 13.04.520 - Amend dead-end street length

1. The following constitutes a description of the number and manner in which comment was solicited from affected businesses, a summary of their responses and explanation of the manner in which other interested persons may obtain a copy of the summary. *NRS 237.090(1)(a)*

a. Notice:

On Monday, June 5, 2023, the Clark County Fire Department sent public notice to all industry member associations (Attachment 1). In addition, a copy of the notification and proposed ordinance changes were published in the Las Vegas Review-Journal on June 5, 2023, Jun 6, 2023, June 7, 2023, June 8, 2023, June 12, 2023, June 13, 2023, June 14, 2023, June 15, 2023, June 19, 2023, June 20, 2023, June 21, 2023, June 22, 2023, June 26, 2023, June 27, 2023, June 28, 2023, and June 29, 2023 (Attachment 2). These were published in the Las Vegas Review Journal El Tiempo Spanish edition on June 7, 2023, June 8, 2023, June 12, 2023, June 13, 2023, June 14, 2023, June 15, 2023, June 19, 2023, June 20, 2023, June 21, 2023, June 22, 2023, June 26, 2023, June 27, 2023, June 28, 2023, June 29, 2023, July 3, 2023, and July 5, 2023 (Attachment 3). These were published in the Asian Journal June 8, 2023, June 12, 2023, June 13, 2023, June 14, 2023, June 15, 2023, June 19, 2023, June 20, 2023, June 21, 2023, June 22, 2023, June 26, 2023, June 27, 2023, June 28, 2023, June 29, 2023, July 3, 2023, July 5, 2023, and July 29, 2023 (Attachment 4). A copy of the notification and proposed ordinance changes were also posted on the ClarkCountyNV.gov website at the Fire Department section, provided for public viewing at the Building Department and Fire Department Administration customer lobbies, and available for reference at the Fire Prevention Bureau counter in English, Spanish and Tagalog languages.

The required minimum fifteen (15) working day public comment period was opened and the Fire Department received one (1) response after the comment period expired.

b. Summary of Comments:

One set of comments was received during the public comment period. The comments received were from the Southern Nevada Homebuilders Association (SNHBA). SNHBA acknowledged that several departments worked with them to address issues that they have brought to the County's attention over the past 12 – 18 months. Many of SNHBA's mitigation requests were found to have been already incorporated into Title 30, will be addressed within this ordinance language, and will be addressed within Clark County Building Department ordinance language that will accompany this ordinance adoption. Some of the remaining items were agreed to by the Clark County Fire Department and Clark County Building Department (i.e. – providing next day sprinkler inspections, incorporating residential sprinkler plan review into the Building Department standard plan process, reports to be provided, etc.)

Additionally, SNHBA listed several items within the cost/benefit analysis with which they did not agree. They are detailed here with responses:

- 1) Not all costs were outlined in the cost/benefit analysis.
Response: The consultant used the most common type of sprinkler system installed in single family homes for the analysis. CCFD and CCBD have always issued separate permits for fire code permits and building code permits and will continue to do so. We are working together to incorporate the residential sprinkler plan review into the standard plan process.
- 2) The report extensively details life and safety benefits of residential sprinkler installations... However, these are not components of a cost/benefit analysis.
Response: This consultant has provided cost/benefit analyses according to NRS 237 before. While we understand that SNHBA does not agree that life and safety benefits should be considered as part of the cost/benefit analysis, we believe some consideration should be granted. There are allowances that were agreed to after the cost/benefit analysis was completed that will provide a financial benefit to the homebuilders and many of the concessions discussed with or requested by SNHBA were granted providing financial and/or time benefits to the homebuilders.
- 3) The cost/benefit analysis asserts that there will not be adverse effect associated with homebuilding if residential sprinklers are mandated in all single-family residences.
Response: We have engaged in a Business Impact and Public Notice process. We met with SNHBA, the author of the only set of comments during the public comment period, numerous times and, as stated before, many of the concessions discussed with or requested by SNHBA were granted. We concede that it would be difficult to predict whether residential sprinklers would be the sole reason for an adverse or beneficial effect in the homebuilding industry.
- 4) The report's primary analysis of benefits to homeowners who purchase a new home with a sprinkler system installed relies on attributing future home price appreciation to the sprinkler system alone.
Response: We disagree that the increased upfront cost to purchase a home at today's interest rate would price out thousands of Nevadans. Upgrades to the value of a home,

such as upgraded carpet, countertops, landscaping, etc., will cost the owner upfront as well but they may see the long-term value in adding these features. While we acknowledge that some homebuyers may not purchase any upgrades to their homes, there are offsets requests by or discussed with SNHBA will offer relief to homeowners. The consultant used the current Discount Rate of 5.25% in his calculations.

Ultimately, we feel the many meetings, discussions, and emails that outlined the requests from the SNHBA have been addressed, with the one exception of allowing narrower street widths.

2. The estimated economic effect of the proposed rule on businesses, including, without limitation, both adverse and beneficial effects, and both direct and indirect effects. *NRS 237.090(1)(b)*

- a. **Adverse Effects:**

There will be a modest increase in the initial construction costs of some new homes due to the addition of residential fire sprinklers.

- b. **Beneficial Effects:**

The beneficial effects include the addition of residential fire sprinklers to every new home. This will increase the overall safety of the community and greatly reduce the likelihood of house fire fatalities.

- c. **Direct Effects:**

Direct effects include increased safety for residents of sprinklered homes and a reduced risk to first responders.

- d. **Indirect Effects:**

Indirect effects may include possible reductions in home insurance premiums and increased value and equity in the newly constructed homes.

3. The following constitutes a description of the methods that the local government considered to reduce the impact of the proposed rule on businesses and a statement regarding whether any and if so which, of these methods were used: (include whether the following were considered: Simplifying the proposed rule, establishing different standard of compliance for a business, and if applicable, modifying a fee or fine set forth in the rule, so that a business could pay a lower fee or fine). *NRS 237.090(1)(C)*

CCFD retained the services of an independent contractor to complete a cost benefit analysis regarding the installation of residential fire suppression sprinkler systems in all new homes and the impact on businesses. Pursuant to Title 13, Section 101.6, the Clark County Fire Chief has granted the following potential cost savings to the Southern Nevada Home Builders Association (SNHBA) regarding the incorporation of fire sprinklers systems in future residential, single-family communities:

1. Fire Chief agrees to allow an exemption from the new sprinkler requirements for projects with an approved tentative map within 180 days from the passage of the ordinance.
 2. Fire will commit to providing next-day sprinkler inspections for residential sprinklers.
 3. Fire will work to incorporate residential sprinklers into the Building Department standard plan process.
 4. Homebuilders requested a solution for ceiling heights greater than 24 feet. Fire included language in the ordinance which eliminates the need for an Alternate Means report every time there are high ceilings.
 5. Homebuilders requested an alternative to the minimum 10 psi safety factor. Fire included language in the ordinance which provides an acceptable alternative to the 10-psi safety factor.
 6. Homebuilders requested relief from the existing code requirement regarding upgrading fire sprinklers in single-family homes. This was a request by the Homebuilders but was necessary since it is illegal for utilities (including wire, pipes, chases, etc.) to penetrate or cross property lines. Fire included changes to the mitigation matrix so single-family homes will not be required to install NFPA 13R or NFPA 13 systems.
 7. Homebuilders requested a longer dead-end street length. Fire included language in the ordinance which extends the length of RTC turn-arounds to 600 feet where 500 feet was the previous limit.
 8. Homebuilders requested residential fire statistical data reporting. Fire will provide reports similar to what CLV provides to the homebuilders.
 9. Homebuilders requested an inclusion of full-width crash gates to satisfy secondary access requirements in Title 30. Although it was determined that Fire does not currently place limits regarding secondary access, addressing the issue in Title 30 meets their request.
 10. Homebuilders requested an increase in required hydrant spacing. Fire pointed out that current code already allows increased spacing for sprinklered homes.
 11. Homebuilders requested to use ¾" water meters. Fire pointed out that current code already allows this depending upon proving the hydraulic demand.
 12. Homebuilders requested to use narrower streets in areas with sprinklered homes. Fire denied this request and will remain with the current code requirements for street widths.
 13. Homebuilders requested that the fees not increase for residential fire sprinkler permitting. Fire did not increase the fees for residential fire sprinkler permitting and will apply per the adopted fee schedule.
4. The governing body estimates the annual cost to the local government for enforcement of the proposed rule is *NRS 237.090(1) (d)*

There is no anticipated cost to the local government for enforcement of the proposed rule. An increase in the number of permits is anticipated, however the cost of enforcement is offset by the permit fees.

5. The proposed rule provides for a new fee or increases an existing fee and total annual amount expected to be collected is: (Include any relevant figures, charts, and/or tables). *NRS 237.090(1)*

The proposed rule does not create a new fee or increase an existing fee. Clark County averages roughly 5,000 new housing units per year. If we assume that 75% of these homes would require fire sprinklers, we will expect to collect an estimated \$337,500 per year at the current \$90 base fee per plan review/permit fee.

6. The money generated by the fee or increase in existing fee will be used by the local government to *NRS 237.090(1)(d)*

The proposed rule does not create a new fee or increase an existing fee. The money generated by the existing fee will be used to offset personnel and equipment costs.

7. The proposed rule includes provisions that duplicate or are more stringent than federal, state, or local standards regulating the same activity. The following explains when such duplicative or more stringent provisions are necessary. *NRS 237.090(1)(f)*

The proposed rule does not duplicate any known federal, state, or local standard.

8. Set forth the reasons for the conclusions regarding the impact of the proposed rule on businesses. *NRS 237.090(1)(g)*

The impact of the proposed rule on businesses will be a modest increase to the overall cost to build a home that would not have required a sprinkler system prior to the rule going into effect. Residential fire sprinkler contractors will see an increase in contracts to install sprinkler systems in homes resulting in increased revenue and the need to hire additional tradespeople to meet the demand.

Certification of Business Impact Statement

Pursuant to *NRS 237.090(2)*, I Kevin Schiller as County Manager of Clark County Nevada, hereby certify that, to the best of my knowledge and belief, the information contained in this statement was prepared properly and accurately.


Kevin Schiller
County Manager, Clark County Nevada

Dated: 7-24-2023