



## ANKENY CITY COUNCIL

**Council Action Planning Session**  
**Monday, May 4, 2026**  
**5:30 PM**

**Ankeny Kirkendall Public Library - City Council Chambers**  
**1250 SW District Drive, Ankeny, Iowa**

Bobbi Bentz, Mayor  
Todd Shafer, Mayor Pro-Tem

Council Members: Matt Davis, Dustin Graber, Justin Hollinrake, Jeff Perry

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### ELECTRONIC MEETING INFORMATION

<https://zoom.us/j/97312992966?pwd=OEFocWZGS0NYUmntVHNxcWZFak9Pd09>

Meeting ID: 973 1299 2966  
Passcode: 1234

Dial in: +1 312 626 6799; Meeting ID: 973 1299 2966; Passcode: 1234

### **A. FIRE DEPARTMENT: BUSINESS LICENSE INSPECTION PROGRAM**

1. Follow-up Discussion: Business License Inspection Program

### **B. ADJOURNMENT**

No official action will take place during this planning session.

## Memorandum

To: Mike Schrock – City Manager

Date: 04/28/2026

Re: Fire Department Business License Presentation Follow-Up (03/16/2026)

During the March 16<sup>th</sup> City Council Planning Session, the Fire Department proposed the adoption of an Annual Business License to establish a consistent process for identifying, inspecting, and maintaining fire and life safety compliance for commercial occupancies throughout the community while improving emergency response effectiveness, ensure up-to-date business information, and establish a fair, consistent, and defensible fee structure for fire prevention services. During the presentation, a few questions were asked by City Council Members.

- What does an overview of the program look like?
- Why a flat rate business license in lieu of being based on facility square footage or another metric?
- What would the inspection frequency look like with the business license program?

The proposed program is based on occupancy type, hazard level, and inspection workload. This approach aligns with nationally recognized best practices, including guidance from the National Fire Protection Association, and ensures fees are directly related to fire risk and service delivery.

## Program Overview

The proposed program establishes:

### 1. Annual Business License (Required for All Businesses)

All commercial occupancies must obtain an annual business license. This process requires the business to verify or update critical information:

- Business ownership and contact information
- 24/7 emergency contacts
- Type of occupancy and operations conducted
- Hazardous materials, business processes, or other special hazards.
- Access and entry information (e.g., Knox Box, gate codes)
- Verify fixed fire protection information (fire sprinklers, fire alarm, cooking hoods, special extinguishing systems)

An annual business license requirement meets the program goals by ensuring consistent data collection and regular engagement with the business community. Businesses that do not renew a business license would be placed on a priority inspection list to verify if they are still in business, if they have closed and vacated the space, and/or if they have been replaced with a new business and occupancy.

2. Occupancy-Based Risk Classification

Businesses will be categorized based on operational risk and life safety considerations:

- Low Risk: Offices, retail, professional services
- Moderate Risk: Assembly occupancies (restaurants, gyms, daycares), light industrial
- High Risk: Industrial operations, hazardous materials, high life safety loads

3. Proposed Fee Schedule

A. Annual Business License

<b>Initial and Renewal License Fee</b>		
<b>Risk Category</b>	<b>Description</b>	<b>Fee</b>
Initial Application	Cover administrative cost of reviewing application, setting up occupancy in RMS, and assigning appropriate hazard risk.	\$150
Low Risk	Office, educational, places of worship, small business, light retail, with minimal hazards and no operational permits	\$100
Moderate Risk	Office, educational, places of worship, small business, light retail, with minimal hazards and no operational permits	\$150
High Risk	Industrial, hazardous materials, high piled storage, high hazard, hospital/nursing homes, assembly with occupant load greater than 300, complex occupancies	\$300

4. Fiscal Impact

The program is designed to:

- Support cost recovery for community risk reduction services
- Reduce reliance on general fund subsidies
- Create a sustainable and predictable revenue stream
- Revenue projections will vary based on the number and type of businesses, but are expected to offset inspection, program administration, and community risk reduction staffing

Fiscal Impact					
Category	Description	FY27	FY28	FY29	Notes
Revenue	License Fees	\$100,000	\$150,000	\$175,000	Based on a planned three-year implementation and projected number of businesses.
Expenditures	Staff Cost	\$99,238	\$130,522	\$138,353	FTE salary and benefits
	Administrative Support	\$20,000	\$20,000	\$20,000	Portion of existing part-time FTE salary and benefits
	Vehicle	\$35,000	\$0	\$0	Vehicle
	Equipment	\$3,500	\$850	\$850	Uniforms, IT Equipment, Safety Equipment
	Total Expenditures	\$157,738	\$151,372	\$159,203	
Net Fiscal Impact	Revenue – Expenditures	(\$57,738)	(\$1,372)	\$15,797	

### 5. Implementation Plan

Upon approval, the Fire Department will:

- Develop an online registration and renewal system in the City’s existing permitting system LAMA, aligning with the structure used for the City’s rental licensing program, reducing administrative duplication across departments
- Conduct outreach to the business community
- A planned 3-year implementation period begins as both the program and staffing structure will need to be built from the ground up
- Provide education and support to the business community during implementation period

### Business License Flat Fee vs by Square Footage

Basing a fire department business license on building square footage or other metric appears straightforward, but it quickly becomes problematic when accurate data is unavailable. This approach leads to inconsistent and inequitable fees due to reliance on estimates or outdated records, undermining trust and creating disputes among businesses. It also introduces administrative inefficiencies, as staff must spend excessive time tracking down or verifying building information that may not exist or reflect current conditions. Additionally, enforcement becomes subjective when personnel must estimate or accept unverified data, increasing the risk of appeals and claims of inconsistency.

Beyond administrative challenges, square footage is an unreliable indicator of actual fire risk, as smaller high-hazard occupancies may require more resources than larger low-risk spaces. This misalignment weakens cost recovery and overall effectiveness. The model also creates legal and policy vulnerabilities if fee calculations cannot be consistently justified. Finally, inaccurate square footage can result in lost revenue or discourage compliance. As a result, fee structures based on factors like occupancy type, hazard level, and inspection frequency are more defensible and better aligned with community risk reduction workload.

**Inspection Frequency**

Inspection frequency will be determined by a business’s risk classification, ensuring that Fire Department resources are aligned with actual life safety concerns and operational complexity. Low-risk occupancies—such as offices and small retail—will be inspected on a periodic basis (typically every two to three years), while moderate-risk occupancies—such as restaurants, assembly spaces, and light industrial uses—will receive annual inspections. High-risk occupancies, including those with industrial processes or elevated life safety hazards, will be inspected annually or more frequently as needed. This tiered approach ensures consistent oversight where it is most needed while reducing unnecessary inspections in lower-risk environments.

In addition to baseline risk classification, specific hazards and operational features will further influence inspection frequency and scope. Businesses with commercial cooking systems, hazardous materials, high-piled storage, hazard processes, or high occupant loads may require more frequent or specialized inspections due to the increased potential for fire or life safety incidents. This dual approach—combining occupancy-based risk with hazard identification—creates a more precise, defensible, and efficient inspection model that better reflects actual community risk reduction workload and enhances overall community safety.

<b>Fire Inspection Cost</b>		
<b>Inspection</b>	<b>Fee</b>	<b>Resolution and Date</b>
Annual fire inspection	No Charge	Resolution 2022-199 - April 2025
1 <sup>st</sup> reinspection	No Charge	Resolution 2022-199 - April 2025
2 <sup>nd</sup> reinspection	\$100	Resolution 2022-199 - April 2025
3 <sup>rd</sup> reinspection	\$250	Resolution 2022-199 - April 2025
4 <sup>th</sup> reinspection	\$500	Resolution 2022-199 - April 2025
Each additional reinspection	\$500	Resolution 2022-199 - April 2025

**Recommendation**

The Fire Department recommends that the City Council approve the adoption of the Annual Business License Program with a flat fee schedule as outlined in this proposal. This program modernizes the City's community risk reduction approach by focusing on risk, safety, and operational effectiveness, while ensuring that emergency responders have the information, they need to protect life and property.